



Invesco V.I. Core Plus Bond Fund



The Fund provides a complete list of its portfolio holdings four times each fiscal year, at the end of each fiscal quarter. For the second and fourth quarters, the list appears, respectively, in the Fund's semiannual and annual reports to shareholders. For the first and third quarters, the Fund files the list with the Securities and Exchange Commission (SEC) as an exhibit to its reports on Form N-PORT. The Fund's Form N-PORT filings are available on the SEC website, sec.gov. The SEC file numbers for the Fund are 811-07452 and 033-57340. The Fund's most recent portfolio holdings, as filed on Form N-PORT, have also been made available to insurance companies issuing variable annuity contracts and variable life insurance policies ("variable products") that invest in the Fund.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, from our Client Services department at 800 959 4246 or at invesco.com/corporate/about-us/esg. The information is also available on the SEC website, sec.gov.

Information regarding how the Fund voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 is available at invesco.com/proxysearch. The information is also available on the SEC website, sec.gov.

Invesco Advisers, Inc. is an investment adviser; it provides investment advisory services to individual and institutional clients and does not sell securities. Invesco Distributors, Inc. is the US distributor for Invesco Ltd.'s retail mutual funds, exchange-traded funds and institutional money market funds. Both are wholly owned, indirect subsidiaries of Invesco Ltd.

This report must be accompanied or preceded by a currently effective Fund prospectus and variable product prospectus, which contain more complete information, including sales charges and expenses. Investors should read each carefully before investing.

Fund Performance

Performance summary		Average Annual Total Returns	
Fund vs. Indexes		As of 6/30/21	
<i>Cumulative total returns, 12/31/20 to 6/30/21, excluding variable product issuer charges. If variable product issuer charges were included, returns would be lower.</i>		Series I Shares	
Series I Shares	-0.43%	Inception (5/5/93)	4.52%
Series II Shares	-0.58	10 Years	5.18
Bloomberg Barclays U.S. Aggregate Bond Index▼ (Broad Market/Style-Specific Index)	-1.60	5 Years	4.80
Lipper VUF Core Plus Bond Funds Index■ (Peer Group Index)	-1.40	1 Year	3.34
Source(s): ▼RIMES Technologies Corp.; ■Lipper Inc.		Series II Shares	
The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged index considered representative of the US investment-grade, fixed-rate bond market.		Inception (3/14/02)	4.16%
The Lipper VUF Core Plus Bond Funds Index is an unmanaged index considered representative of core plus bond variable insurance underlying funds tracked by Lipper.		10 Years	4.91
The Fund is not managed to track the performance of any particular index, including the index(es) described here, and consequently, the performance of the Fund may deviate significantly from the performance of the index(es).		5 Years	4.54
A direct investment cannot be made in an index. Unless otherwise indicated, index results include reinvested dividends, and they do not reflect sales charges. Performance of the peer group, if applicable, reflects fund expenses; performance of a market index does not.		1 Year	3.10

The performance of the Fund's Series I and Series II share classes will differ primarily due to different class expenses.

The performance data quoted represent past performance and cannot guarantee future results; current performance may be lower or higher. Please contact your variable product issuer or financial adviser for the most recent month-end variable product performance. Performance figures reflect Fund expenses, reinvested distributions and changes in net asset value. Performance figures do not reflect deduction of taxes a shareholder would pay on Fund distributions or sale of Fund shares. Investment return and principal value will

fluctuate so that you may have a gain or loss when you sell shares.

Invesco V.I. Core Plus Bond Fund, a series portfolio of AIM Variable Insurance Funds (Invesco Variable Insurance Funds), is currently offered through insurance companies issuing variable products. You cannot purchase shares of the Fund directly. Performance figures given represent the Fund and are not intended to reflect actual variable product values. They do not reflect sales charges, expenses and fees assessed in connection with a variable product. Sales charges, expenses and fees, which are determined by the variable product issuers, will vary and will lower the total return.

The most recent month-end performance at the Fund level, excluding variable product charges, is available at 800 451 4246. As mentioned above, for the most recent month-end performance including variable product charges, please contact your variable product issuer or financial adviser.

Fund performance reflects any applicable fee waivers and/or expense reimbursements. Had the adviser not waived fees and/or reimbursed expenses currently or in the past, returns would have been lower. See current prospectus for more information.

Liquidity Risk Management Program

In compliance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"), the Fund has adopted and implemented a liquidity risk management program in accordance with the Liquidity Rule (the "Program"). The Program is reasonably designed to assess and manage the Fund's liquidity risk, which is the risk that the Fund could not meet redemption requests without significant dilution of remaining investors' interests in the Fund. The Board of Trustees of the Fund (the "Board") has appointed Invesco Advisers, Inc. ("Invesco"), the Fund's investment adviser, as the Program's administrator, and Invesco has delegated oversight of the Program to the Liquidity Risk Management Committee (the "Committee"), which is composed of senior representatives from relevant business groups at Invesco.

As required by the Liquidity Rule, the Program includes policies and procedures providing for an assessment, no less frequently than annually, of the Fund's liquidity risk that takes into account, as relevant to the Fund's liquidity risk: (1) the Fund's investment strategy and liquidity of portfolio investments during both normal and reasonably foreseeable stressed conditions; (2) short-term and long-term cash flow projections for the Fund during both normal and reasonably foreseeable stressed conditions; and (3) the Fund's holdings of cash and cash equivalents and any borrowing arrangements. The Liquidity Rule also requires the classification of the Fund's investments into categories that reflect the assessment of their relative liquidity under current market conditions. The Fund classifies its investments into one of four categories defined in the Liquidity Rule: "Highly Liquid," "Moderately Liquid," "Less Liquid," and "Illiquid." Funds that are not invested primarily in "Highly Liquid Investments" that are assets (cash or investments that are reasonably expected to be convertible into cash within three business days without significantly changing the market value of the investment) are required to establish a "Highly Liquid Investment Minimum" ("HLIM"), which is the minimum percentage of net assets that must be invested in Highly Liquid Investments. Funds with HLIMs have procedures for addressing HLIM shortfalls, including reporting to the Board and the SEC (on a non-public basis) as required by the Program and the Liquidity Rule. In addition, the Fund may not acquire an investment if, immediately after the acquisition, over 15% of the Fund's net assets would consist of "Illiquid Investments" that are assets (an investment that cannot reasonably be expected to be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment). The Liquidity Rule and the Program also require reporting to the Board and the SEC (on a non-public basis) if a Fund's holdings of Illiquid Investments exceed 15% of the Fund's assets.

At a meeting held on March 22-24, 2021, the Committee presented a report to the Board that addressed the operation of the Program and assessed the Program's adequacy and effectiveness of implementation (the "Report"). The Report covered the period from January 1, 2020 through December 31, 2020 (the "Program Reporting Period"). The Report discussed notable events affecting liquidity over the Program Reporting Period, including the impact of the coronavirus pandemic on the Fund and the overall market. The Report noted that there were no material changes to the Program during the Program Reporting Period.

The Report stated, in relevant part, that during the Program Reporting Period:

- The Program, as adopted and implemented, remained reasonably designed to assess and manage the Fund's liquidity risk and was operated effectively to achieve that goal;
- The Fund's investment strategy remained appropriate for an open-end fund;
- The Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund;
- The Fund did not breach the 15% limit on Illiquid Investments; and
- The Fund primarily held Highly Liquid Investments and therefore has not adopted an HLIM.

Schedule of Investments^(a)

June 30, 2021

(Unaudited)

	Principal Amount	Value
U.S. Dollar Denominated Bonds & Notes-49.88%		
Advertising-0.16%		
Lamar Media Corp., 3.75%, 02/15/2028	\$ 44,000	\$ 44,835
3.63%, 01/15/2031 ^(b)	16,000	15,672
		60,507
Aerospace & Defense-0.22%		
Boeing Co. (The), 2.75%, 02/01/2026	26,000	27,177
2.20%, 02/04/2026	44,000	44,428
Teledyne Technologies, Inc., 2.75%, 04/01/2031	15,000	15,420
		87,025
Agricultural & Farm Machinery-0.25%		
Bunge Ltd. Finance Corp., 2.75%, 05/14/2031	96,000	97,126
Airlines-0.68%		
British Airways Pass-Through Trust (United Kingdom), Series 2019-1, Class A, 3.35%, 06/15/2029 ^(b)	16,122	16,177
Delta Air Lines Pass-Through Trust, Series 2019-1, Class A, 3.40%, 04/25/2024	4,000	4,110
Delta Air Lines, Inc., 7.38%, 01/15/2026	7,000	8,219
Delta Air Lines, Inc./SkyMiles IP Ltd., 4.50%, 10/20/2025 ^(b)	34,329	36,907
4.75%, 10/20/2028 ^(b)	61,432	68,347
United Airlines Pass-Through Trust, Series 2014-2, Class B, 4.63%, 09/03/2022	24,495	25,060
Series 2020-1, Class A, 5.88%, 10/15/2027	53,292	59,244
Series 2018-1, Class AA, 3.50%, 03/01/2030	20,319	21,321
United Airlines, Inc., 4.38%, 04/15/2026 ^(b)	9,000	9,328
4.63%, 04/15/2029 ^(b)	16,000	16,580
		265,293
Application Software-0.54%		
salesforce.com, inc., 2.90%, 07/15/2051	95,000	96,402
3.05%, 07/15/2061	58,000	59,106
ZoomInfo Technologies LLC/ZoomInfo Finance Corp., 3.88%, 02/01/2029 ^(b)	57,000	56,728
		212,236
Asset Management & Custody Banks-0.23%		
Ameriprise Financial, Inc., 3.00%, 04/02/2025	21,000	22,529
CI Financial Corp. (Canada), 3.20%, 12/17/2030	38,000	39,040
Owl Rock Capital Corp., 2.63%, 01/15/2027	27,000	27,093
		88,662

	Principal Amount	Value
Auto Parts & Equipment-0.30%		
Avis Budget Car Rental LLC/Avis Budget Finance, Inc., 4.75%, 04/01/2028 ^(b)	\$ 82,000	\$ 84,144
5.38%, 03/01/2029 ^(b)	31,000	32,323
		116,467
Automobile Manufacturers-1.50%		
Allison Transmission, Inc., 3.75%, 01/30/2031 ^(b)	28,000	27,555
American Honda Finance Corp., 1.80%, 01/13/2031	29,000	28,677
Ford Motor Credit Co. LLC, 3.09%, 01/09/2023	200,000	204,250
3.38%, 11/13/2025	205,000	212,831
Hyundai Capital America, 5.75%, 04/06/2023 ^(b)	29,000	31,527
4.30%, 02/01/2024 ^(b)	4,000	4,335
5.88%, 04/07/2025 ^(b)	13,000	15,028
2.00%, 06/15/2028 ^(b)	61,000	60,581
		584,784
Biotechnology-0.32%		
AbbVie, Inc., 2.30%, 11/21/2022	56,000	57,491
2.60%, 11/21/2024	63,000	66,456
		123,947
Building Products-0.27%		
Masco Corp., 1.50%, 02/15/2028	25,000	24,428
2.00%, 02/15/2031	15,000	14,662
3.13%, 02/15/2051	15,000	14,947
Standard Industries, Inc., 3.38%, 01/15/2031 ^(b)	52,000	49,845
		103,882
Cable & Satellite-0.99%		
CCO Holdings LLC/CCO Holdings Capital Corp., 4.25%, 02/01/2031 ^(b)	19,000	19,380
4.50%, 06/01/2033 ^(b)	29,000	29,711
Charter Communications Operating LLC/ Charter Communications Operating Capital Corp., 3.50%, 06/01/2041	31,000	31,261
3.90%, 06/01/2052	50,000	51,057
3.85%, 04/01/2061	42,000	41,325
4.40%, 12/01/2061	20,000	21,532
Comcast Corp., 4.60%, 10/15/2038	10,000	12,415
3.25%, 11/01/2039	5,000	5,327
4.95%, 10/15/2058	11,000	15,262
Cox Communications, Inc., 2.60%, 06/15/2031 ^(b)	39,000	39,628
2.95%, 10/01/2050 ^(b)	12,000	11,394
3.60%, 06/15/2051 ^(b)	101,000	106,552
		384,844

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Casinos & Gaming-0.02%		
Boyer USA, Inc., 4.75%, 05/15/2029 ^(b)	\$ 7,000	\$ 7,242
Computer & Electronics Retail-0.27%		
Dell International LLC/EMC Corp., 6.02%, 06/15/2026	26,000	31,228
8.35%, 07/15/2046	21,000	34,401
Leidos, Inc., 2.30%, 02/15/2031	31,000	30,324
Rent-A-Center, Inc., 6.38%, 02/15/2029 ^(b)	8,000	8,606
		104,559
Consumer Finance-0.17%		
Ally Financial, Inc., Series C, 4.70% ^{(c)(d)}	66,000	67,010
Copper-0.28%		
Freeport-McMoRan, Inc., 5.00%, 09/01/2027	57,000	60,370
4.38%, 08/01/2028	21,000	22,208
Southern Copper Corp. (Peru), 5.88%, 04/23/2045	18,000	25,222
		107,800
Data Processing & Outsourced Services-0.32%		
Fidelity National Information Services, Inc., 3.10%, 03/01/2041	14,000	14,372
PayPal Holdings, Inc., 2.65%, 10/01/2026	17,000	18,275
2.85%, 10/01/2029	9,000	9,718
Square, Inc., 2.75%, 06/01/2026 ^(b)	27,000	27,506
3.50%, 06/01/2031 ^(b)	54,000	54,540
		124,411
Department Stores-0.04%		
Macy's Retail Holdings LLC, 5.88%, 04/01/2029 ^(b)	16,000	17,227
Distributors-0.04%		
Genuine Parts Co., 1.88%, 11/01/2030	17,000	16,445
Diversified Banks-8.27%		
Australia & New Zealand Banking Group Ltd. (Australia), 2.57%, 11/25/2035 ^{(b)(c)}	81,000	78,783
Bank of America Corp., 2.69%, 04/22/2032 ^(c)	76,000	78,239
BBVA Bancomer S.A. (Mexico), 6.75%, 09/30/2022 ^(b)	150,000	159,573
Citigroup, Inc., 2.88%, 07/24/2023 ^(c)	9,000	9,233
3.11%, 04/08/2026 ^(c)	23,000	24,627
4.41%, 03/31/2031 ^(c)	19,000	22,208
2.57%, 06/03/2031 ^(c)	38,000	39,103
2.56%, 05/01/2032 ^(c)	50,000	50,933
3.88% ^{(c)(d)}	97,000	99,304
Series A, 5.95% ^{(c)(d)}	16,000	16,832
Commonwealth Bank of Australia (Australia), 2.69%, 03/11/2031 ^(b)	200,000	200,150
3.31%, 03/11/2041 ^(b)	200,000	203,944
Corp. Andina de Fomento (Supranational), 4.38%, 06/15/2022	50,000	51,923

	Principal Amount	Value
Diversified Banks-(continued)		
HSBC Holdings PLC (United Kingdom), 6.00% ^{(c)(d)}	\$ 200,000	\$ 222,500
ING Groep N.V. (Netherlands), 6.88% ^{(b)(c)(d)}	200,000	208,313
JPMorgan Chase & Co., 1.06%(3 mo. USD LIBOR + 0.89%), 07/23/2024 ^(e)	48,000	48,680
2.08%, 04/22/2026 ^(c)	29,000	29,999
3.63%, 12/01/2027	13,000	14,294
2.58%, 04/22/2032 ^(c)	47,000	48,270
3.11%, 04/22/2041 ^(c)	18,000	18,708
Series W, 1.16%(3 mo. USD LIBOR + 1.00%), 05/15/2047 ^(e)	35,000	30,152
Mizuho Financial Group, Inc. (Japan), 2.17%, 05/22/2032 ^(c)	200,000	198,820
National Australia Bank Ltd. (Australia), 2.99%, 05/21/2031 ^(b)	250,000	254,027
Standard Chartered PLC (United Kingdom), 2.68%, 06/29/2032 ^{(b)(c)}	200,000	201,115
3.27%, 02/18/2036 ^{(b)(c)}	200,000	200,828
Sumitomo Mitsui Financial Group, Inc. (Japan), 2.14%, 09/23/2030	48,000	46,893
U.S. Bancorp, 1.38%, 07/22/2030	21,000	20,266
UniCredit S.p.A. (Italy), 1.98%, 06/03/2027 ^{(b)(c)}	200,000	199,485
3.13%, 06/03/2032 ^{(b)(c)}	200,000	200,866
United Overseas Bank Ltd. (Singapore), 2.00%, 10/14/2031 ^{(b)(c)}	200,000	200,324
Wells Fargo & Co., 3.07%, 04/30/2041 ^(c)	15,000	15,415
Series BB, 3.90% ^{(c)(d)}	26,000	26,934
		3,220,741

Diversified Capital Markets-1.78%

Credit Suisse Group AG (Switzerland), 4.19%, 04/01/2031 ^{(b)(c)}	250,000	281,207
7.13% ^{(b)(c)(d)}	200,000	208,848
UBS Group AG (Switzerland), 3.88% ^{(b)(c)(d)}	201,000	201,878
		691,933

Diversified Metals & Mining-0.14%

FMG Resources August 2006 Pty. Ltd. (Australia), 4.38%, 04/01/2031 ^(b)	51,000	54,629
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Diversified REITs-1.20%

Brixmor Operating Partnership L.P., 4.05%, 07/01/2030	18,000	20,171
Trust Fibra Uno (Mexico), 5.25%, 01/30/2026 ^(b)	200,000	225,500
4.87%, 01/15/2030 ^(b)	200,000	220,746
		466,417

Drug Retail-0.88%

CK Hutchison International 21 Ltd. (United Kingdom), 1.50%, 04/15/2026 ^(b)	200,000	201,275
CVS Pass-Through Trust, 5.77%, 01/10/2033 ^(b)	118,412	140,424
		341,699

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Electric Utilities-0.40%		
Consolidated Edison Co. of New York, Inc., Series C, 3.00%, 12/01/2060	\$ 18,000	\$ 16,682
3.60%, 06/15/2061	49,000	50,802
Duke Energy Progress LLC, 2.50%, 08/15/2050	38,000	35,186
Southern Co. (The), Series 21-A, 3.75%, 09/15/2051 ^(c)	29,000	29,222
Vistra Operations Co. LLC, 4.38%, 05/01/2029 ^(b)	24,000	24,150
		156,042
Electrical Components & Equipment-0.53%		
AES Andres B.V. (Dominican Republic), 5.70%, 05/04/2028 ^(b)	200,000	207,500
Electronic Components-0.42%		
Corning, Inc., 5.45%, 11/15/2079	116,000	162,768
Electronic Equipment & Instruments-0.20%		
Vontier Corp., 1.80%, 04/01/2026 ^(b)	16,000	15,932
2.40%, 04/01/2028 ^(b)	34,000	33,816
2.95%, 04/01/2031 ^(b)	29,000	29,169
		78,917
Electronic Manufacturing Services-0.07%		
Jabil, Inc., 3.00%, 01/15/2031	27,000	27,817
Environmental & Facilities Services-0.14%		
GFL Environmental, Inc. (Canada), 3.50%, 09/01/2028 ^(b)	56,000	55,939
Financial Exchanges & Data-0.27%		
Moody's Corp., 5.25%, 07/15/2044	13,000	17,463
MSCI, Inc., 3.88%, 02/15/2031 ^(b)	36,000	37,407
3.63%, 11/01/2031 ^(b)	35,000	35,946
S&P Global, Inc., 1.25%, 08/15/2030	14,000	13,273
		104,089
Food Distributors-0.18%		
American Builders & Contractors Supply Co., Inc., 3.88%, 11/15/2029 ^(b)	69,000	68,763
Food Retail-0.33%		
Albertson's Cos., Inc./Safeway, Inc./New Albertson's L.P./Albertson's LLC, 3.50%, 02/15/2023 ^(b)	8,000	8,236
Alimentation Couche-Tard, Inc. (Canada), 3.44%, 05/13/2041 ^(b)	61,000	63,065
3.63%, 05/13/2051 ^(b)	53,000	55,518
		126,819
Forest Products-0.08%		
Suzano Austria GmbH (Brazil), 3.13%, 01/15/2032	32,000	31,732
Health Care Distributors-0.06%		
Owens & Minor, Inc., 4.50%, 03/31/2029 ^(b)	24,000	24,691
Health Care REITs-0.29%		
Diversified Healthcare Trust, 4.38%, 03/01/2031	29,000	27,825

	Principal Amount	Value
Health Care REITs-(continued)		
Healthcare Trust of America Holdings L.P., 2.00%, 03/15/2031	\$ 17,000	\$ 16,446
Healthpeak Properties, Inc., 2.88%, 01/15/2031	9,000	9,434
Omega Healthcare Investors, Inc., 3.25%, 04/15/2033	45,000	44,958
Physicians Realty L.P., 4.30%, 03/15/2027	4,000	4,516
Welltower, Inc., 3.10%, 01/15/2030	11,000	11,736
		114,915
Health Care Services-0.46%		
CVS Health Corp., 1.30%, 08/21/2027	24,000	23,557
2.70%, 08/21/2040	6,000	5,827
Fresenius Medical Care US Finance III, Inc. (Germany), 1.88%, 12/01/2026 ^(b)	150,000	150,141
		179,525
Home Improvement Retail-0.18%		
Lowe's Cos., Inc., 2.63%, 04/01/2031	37,000	38,274
3.50%, 04/01/2051	29,000	31,155
		69,429
Homebuilding-0.10%		
M.D.C. Holdings, Inc., 3.85%, 01/15/2030	35,000	37,538
Hotels, Resorts & Cruise Lines-0.17%		
Expedia Group, Inc., 4.63%, 08/01/2027	18,000	20,369
2.95%, 03/15/2031	14,000	14,215
Hilton Domestic Operating Co., Inc., 3.63%, 02/15/2032 ^(b)	32,000	31,643
		66,227
Independent Power Producers & Energy Traders-0.74%		
AES Corp. (The), 1.38%, 01/15/2026 ^(b)	7,000	6,934
2.45%, 01/15/2031 ^(b)	19,000	18,830
Calpine Corp., 3.75%, 03/01/2031 ^(b)	68,000	64,850
EnfraGen Energia Sur S.A./EnfraGen Spain S.A./Prime Energia S.p.A. (Spain), 5.38%, 12/30/2030 ^(b)	200,000	199,300
		289,914
Industrial Machinery-0.13%		
IDEX Corp., 2.63%, 06/15/2031	49,000	49,865
Insurance Brokers-0.12%		
Arthur J. Gallagher & Co., 2.50%, 05/20/2031	18,000	18,197
3.50%, 05/20/2051	29,000	30,424
		48,621
Integrated Oil & Gas-2.71%		
BP Capital Markets America, Inc., 3.06%, 06/17/2041	72,000	72,704
2.94%, 06/04/2051	36,000	34,554
3.38%, 02/08/2061	54,000	54,415

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Integrated Oil & Gas--(continued)		
Gray Oak Pipeline LLC, 2.60%, 10/15/2025 ^(b)	\$ 21,000	\$ 21,589
Petrobras Global Finance B.V. (Brazil), 5.50%, 06/10/2051	57,000	57,091
Petroleos Mexicanos (Mexico), 6.63%, 06/15/2035	23,000	22,241
Petronas Capital Ltd. (Malaysia), 2.48%, 01/28/2032 ^(b)	200,000	201,539
Qatar Petroleum (Qatar), 2.25%, 07/12/2031 ^(b)	200,000	197,874
3.30%, 07/12/2051 ^(b)	200,000	200,000
Saudi Arabian Oil Co. (Saudi Arabia), 3.50%, 11/24/2070 ^(b)	200,000	194,742
		1,056,749

Integrated Telecommunication Services--0.79%

AT&T, Inc., 3.10%, 02/01/2043	29,000	28,473
3.50%, 09/15/2053 ^(b)	44,000	44,272
3.55%, 09/15/2055 ^(b)	56,000	56,269
3.50%, 02/01/2061	18,000	17,804
Verizon Communications, Inc., 0.85%, 11/20/2025	29,000	28,698
2.55%, 03/21/2031	19,000	19,435
4.81%, 03/15/2039	7,000	8,880
2.65%, 11/20/2040	14,000	13,498
3.40%, 03/22/2041	22,000	23,301
2.88%, 11/20/2050	20,000	19,047
3.55%, 03/22/2051	4,000	4,279
3.00%, 11/20/2060	21,000	19,659
3.70%, 03/22/2061	24,000	25,746
		309,361

Interactive Home Entertainment--0.40%

Activision Blizzard, Inc., 2.50%, 09/15/2050	29,000	26,098
Electronic Arts, Inc., 1.85%, 02/15/2031	41,000	39,663
2.95%, 02/15/2051	40,000	39,203
WMG Acquisition Corp., 3.00%, 02/15/2031 ^(b)	52,000	49,399
		154,363

Interactive Media & Services--0.24%

Alphabet, Inc., 2.25%, 08/15/2060	27,000	23,896
Match Group Holdings II LLC, 5.63%, 02/15/2029 ^(b)	33,000	35,776
Twitter, Inc., 3.88%, 12/15/2027 ^(b)	31,000	32,977
		92,649

Internet & Direct Marketing Retail--0.96%

Amazon.com, Inc., 1.00%, 05/12/2026	29,000	29,019
1.65%, 05/12/2028	28,000	28,257
2.10%, 05/12/2031	81,000	82,415
2.88%, 05/12/2041	99,000	102,269
3.10%, 05/12/2051	80,000	84,144
3.25%, 05/12/2061	45,000	47,504
		373,608

	Principal Amount	Value
Internet Services & Infrastructure--0.33%		
Twilio, Inc., 3.63%, 03/15/2029	\$ 48,000	\$ 49,020
3.88%, 03/15/2031	48,000	49,320
VeriSign, Inc., 2.70%, 06/15/2031	31,000	31,533
		129,873

Investment Banking & Brokerage--1.48%

Goldman Sachs Group, Inc. (The), 0.61%(SOFR + 0.58%), 03/08/2024 ^(e)	76,000	76,231
3.50%, 04/01/2025	18,000	19,537
3.27%, 09/29/2025 ^(c)	21,000	22,473
0.83%(SOFR + 0.79%), 12/09/2026 ^(e)	75,000	74,876
1.09%, 12/09/2026 ^(c)	29,000	28,563
0.85%(SOFR + 0.81%), 03/09/2027 ^(e)	107,000	106,976
1.99%, 01/27/2032 ^(c)	27,000	26,246
2.62%, 04/22/2032 ^(c)	19,000	19,423
3.21%, 04/22/2042 ^(c)	18,000	18,856
Jefferies Group LLC/Jefferies Group Capital Finance, Inc., 4.15%, 01/23/2030	25,000	28,067
Morgan Stanley, 2.19%, 04/28/2026 ^(c)	18,000	18,698
2.70%, 01/22/2031 ^(c)	56,000	58,666
3.62%, 04/01/2031 ^(c)	19,000	21,229
3.22%, 04/22/2042 ^(c)	14,000	14,857
2.80%, 01/25/2052 ^(c)	17,000	16,703
Raymond James Financial, Inc., 3.75%, 04/01/2051	21,000	23,090
		574,491

Life & Health Insurance--1.15%

American Equity Investment Life Holding Co., 5.00%, 06/15/2027	43,000	48,686
Athene Global Funding, 1.20%, 10/13/2023 ^(b)	41,000	41,478
2.50%, 01/14/2025 ^(b)	23,000	23,990
1.45%, 01/08/2026 ^(b)	19,000	19,030
Athene Holding Ltd., 6.15%, 04/03/2030	21,000	26,580
3.95%, 05/25/2051	9,000	9,672
Belrose Funding Trust, 2.33%, 08/15/2030 ^(b)	39,000	38,292
MAG Mutual Holding Co., 4.75%, 04/30/2041	172,000	172,000
Nationwide Financial Services, Inc., 3.90%, 11/30/2049 ^(b)	15,000	16,591
Pacific LifeCorp, 3.35%, 09/15/2050 ^(b)	23,000	24,401
Penn Mutual Life Insurance Co. (The), 3.80%, 04/29/2061 ^(b)	13,000	13,515
Western & Southern Life Insurance Co. (The), 3.75%, 04/28/2061 ^(b)	12,000	12,801
		447,036

Life Sciences Tools & Services--0.07%

Illumina, Inc., 2.55%, 03/23/2031	25,000	25,402
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Managed Health Care--0.52%

Centene Corp., 2.50%, 03/01/2031	96,000	94,800
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See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Managed Health Care-(continued)		
Kaiser Foundation Hospitals, Series 2021, 2.81%, 06/01/2041	\$ 45,000	\$ 46,000
3.00%, 06/01/2051	45,000	46,580
UnitedHealth Group, Inc., 3.75%, 07/15/2025	13,000	14,434
		201,814
Metal & Glass Containers-0.05%		
Intertape Polymer Group, Inc. (Canada), 4.38%, 06/15/2029 ^(b)	6,000	6,092
Silgan Holdings, Inc., 1.40%, 04/01/2026 ^(b)	14,000	13,878
		19,970
Multi-line Insurance-0.60%		
AIG Global Funding, 2.70%, 12/15/2021 ^(b)	22,000	22,254
American Financial Group, Inc., 3.50%, 08/15/2026	4,000	4,350
American International Group, Inc., 3.40%, 06/30/2030	29,000	31,828
Fairfax Financial Holdings Ltd. (Canada), 4.85%, 04/17/2028	13,000	14,972
4.63%, 04/29/2030	23,000	26,393
3.38%, 03/03/2031 ^(b)	13,000	13,565
Nationwide Mutual Insurance Co., 4.95%, 04/22/2044 ^(b)	100,000	120,183
		233,545
Multi-Utilities-0.13%		
Dominion Energy, Inc., Series C, 3.38%, 04/01/2030	15,000	16,350
WEC Energy Group, Inc., 1.38%, 10/15/2027	18,000	17,600
1.80%, 10/15/2030	16,000	15,366
		49,316
Office REITs-0.22%		
Alexandria Real Estate Equities, Inc., 3.95%, 01/15/2027	19,000	21,194
Boston Properties L.P., 3.25%, 01/30/2031	15,000	16,083
Office Properties Income Trust, 4.50%, 02/01/2025	36,000	39,116
2.65%, 06/15/2026	8,000	8,125
		84,518
Oil & Gas Exploration & Production-1.24%		
Canadian Natural Resources Ltd. (Canada), 2.05%, 07/15/2025	32,000	32,905
EQT Corp., 3.13%, 05/15/2026 ^(b)	10,000	10,261
Galaxy Pipeline Assets Bidco Ltd. (United Arab Emirates), 2.94%, 09/30/2040 ^(b)	200,000	199,147
Gazprom PJSC via Gaz Finance PLC (Russia), 2.95%, 01/27/2029 ^(b)	200,000	196,470
Murphy Oil Corp., 6.38%, 07/15/2028	40,000	42,228
		481,011
Oil & Gas Refining & Marketing-0.09%		
Parkland Corp. (Canada), 4.50%, 10/01/2029 ^(b)	34,000	34,650

	Principal Amount	Value
Oil & Gas Storage & Transportation-0.29%		
Crestwood Midstream Partners L.P./Crestwood Midstream Finance Corp., 6.00%, 02/01/2029 ^(b)	\$ 18,000	\$ 18,877
MPLX L.P., 1.75%, 03/01/2026	21,000	21,238
Northern Natural Gas Co., 3.40%, 10/16/2051 ^(b)	23,000	23,668
ONEOK, Inc., 6.35%, 01/15/2031	35,000	45,304
Western Midstream Operating L.P., 2.29%(3 mo. USD LIBOR + 2.10%), 01/13/2023 ^(e)	4,000	3,981
		113,068
Other Diversified Financial Services-1.15%		
AerCap Ireland Capital DAC/AerCap Global Aviation Trust (Ireland), 4.50%, 09/15/2023 DAC	150,000	160,899
Avolon Holdings Funding Ltd. (Ireland), 2.13%, 02/21/2026 ^(b)	26,000	25,914
4.25%, 04/15/2026 ^(b)	11,000	11,930
2.75%, 02/21/2028 ^(b)	28,000	27,721
Blackstone Holdings Finance Co. LLC, 1.60%, 03/30/2031 ^(b)	31,000	29,516
2.80%, 09/30/2050 ^(b)	13,000	13,010
Blackstone Secured Lending Fund, 2.75%, 09/16/2026 ^(b)	79,000	80,114
Blue Owl Finance LLC, 3.13%, 06/10/2031 ^(b)	52,000	51,717
Brookfield Finance, Inc. (Canada), 2.72%, 04/15/2031	34,000	35,037
KKR Group Finance Co. VIII LLC, 3.50%, 08/25/2050 ^(b)	13,000	13,652
		449,510
Packaged Foods & Meats-0.04%		
JBS USA LUX S.A./JBS USA Food Co./JBS USA Finance, Inc., 3.75%, 12/01/2031 ^(b)	17,000	17,417
Paper Packaging-0.38%		
Berry Global, Inc., 0.95%, 02/15/2024 ^(b)	49,000	49,104
1.65%, 01/15/2027 ^(b)	55,000	54,592
Cascades, Inc./Cascades USA, Inc. (Canada), 5.38%, 01/15/2028 ^(b)	43,000	45,258
		148,954
Pharmaceuticals-0.10%		
Mayo Clinic, Series 2021, 3.20%, 11/15/2061	36,000	38,939
Property & Casualty Insurance-0.24%		
Allstate Corp. (The), 4.20%, 12/15/2046	4,000	4,920
Fidelity National Financial, Inc., 3.40%, 06/15/2030	16,000	17,260
2.45%, 03/15/2031	24,000	23,957
W.R. Berkley Corp., 4.00%, 05/12/2050	12,000	13,770
3.55%, 03/30/2052	31,000	33,093
		93,000
Real Estate Development-0.14%		
Essential Properties L.P., 2.95%, 07/15/2031	38,000	38,049

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	Principal Amount	Value
Real Estate Development-(continued)		
Piedmont Operating Partnership L.P., 3.15%, 08/15/2030	\$ 15,000	\$ 15,260
		53,309
Regional Banks-1.44%		
Citizens Financial Group, Inc., Series G, 4.00% ^{(c)(d)}	47,000	47,470
Fifth Third Bancorp, 4.30%, 01/16/2024	23,000	24,939
2.55%, 05/05/2027	13,000	13,752
First Niagara Financial Group, Inc., 7.25%, 12/15/2021	15,000	15,467
KeyCorp, 2.25%, 04/06/2027	29,000	30,065
SVB Financial Group, 2.10%, 05/15/2028	28,000	28,428
1.80%, 02/02/2031	35,000	33,533
Series C, 4.00% ^{(c)(d)}	101,000	103,050
Zions Bancorporation N.A., 3.25%, 10/29/2029	250,000	262,429
		559,133
Reinsurance-0.57%		
Berkshire Hathaway Finance Corp., 2.85%, 10/15/2050	22,000	22,006
Global Atlantic Fin Co., 4.40%, 10/15/2029 ^(b)	55,000	60,831
3.13%, 06/15/2031 ^(b)	30,000	30,243
4.70%, 10/15/2051 ^{(b)(c)}	96,000	96,234
Reinsurance Group of America, Inc., 4.70%, 09/15/2023	10,000	10,875
		220,189
Renewable Electricity-0.11%		
Northern States Power Co., 2.60%, 06/01/2051	18,000	17,153
Tucson Electric Power Co., 3.25%, 05/01/2051	24,000	24,920
		42,073
Residential REITs-0.25%		
American Homes 4 Rent L.P., 2.38%, 07/15/2031	13,000	12,807
3.38%, 07/15/2051	13,000	12,735
Spirit Realty L.P., 2.10%, 03/15/2028	15,000	14,949
3.40%, 01/15/2030	29,000	30,963
2.70%, 02/15/2032	15,000	14,892
VEREIT Operating Partnership L.P., 2.20%, 06/15/2028	11,000	11,180
		97,526
Restaurants-0.18%		
1011778 BC ULC/New Red Finance, Inc. (Canada), 4.00%, 10/15/2030 ^(b)	71,000	68,781
Retail REITs-0.40%		
Agree L.P., 2.00%, 06/15/2028	20,000	19,857
2.60%, 06/15/2033	27,000	26,932
Kimco Realty Corp., 1.90%, 03/01/2028	27,000	27,018
2.70%, 10/01/2030	13,000	13,376

	Principal Amount	Value
Retail REITs-(continued)		
National Retail Properties, Inc., 3.50%, 04/15/2051	\$ 31,000	\$ 32,571
Realty Income Corp., 3.25%, 01/15/2031	19,000	20,731
Retail Properties of America, Inc., 4.75%, 09/15/2030	14,000	15,543
		156,028
Semiconductors-0.91%		
Broadcom, Inc., 5.00%, 04/15/2030	34,000	40,153
2.45%, 02/15/2031 ^(b)	19,000	18,686
3.42%, 04/15/2033 ^(b)	58,000	60,976
3.47%, 04/15/2034 ^(b)	94,000	99,525
Marvell Technology, Inc., 2.95%, 04/15/2031 ^(b)	61,000	63,279
Micron Technology, Inc., 4.98%, 02/06/2026	6,000	6,903
4.19%, 02/15/2027	34,000	38,393
Skyworks Solutions, Inc., 1.80%, 06/01/2026	7,000	7,093
3.00%, 06/01/2031	18,000	18,417
		353,425
Sovereign Debt-2.63%		
Argentine Republic Government International Bond (Argentina), 1.00%, 07/09/2029	48	18
1.13%, 07/09/2046 ^(f)	970	313
Egypt Government International Bond (Egypt), 5.25%, 10/06/2025 ^(b)	200,000	211,330
3.88%, 02/16/2026 ^(b)	200,000	197,058
7.50%, 02/16/2061 ^(b)	200,000	188,090
Hungary Government International Bond (Hungary), 5.38%, 03/25/2024	28,000	31,617
Mexico Government International Bond (Mexico), 4.00%, 10/02/2023	2,000	2,170
Morocco Government International Bond (Morocco), 2.38%, 12/15/2027 ^(b)	200,000	196,782
Turkey Government International Bond (Turkey), 4.75%, 01/26/2026	200,000	197,108
		1,024,486
Specialized Finance-0.71%		
Mitsubishi HC Capital, Inc. (Japan), 3.64%, 04/13/2025 ^(b)	256,000	276,377
Specialized REITs-0.73%		
American Tower Corp., 2.70%, 04/15/2031	60,000	61,958
CBRE Services, Inc., 2.50%, 04/01/2031	48,000	48,661
Crown Castle International Corp., 2.50%, 07/15/2031	66,000	66,556
Extra Space Storage L.P., 2.55%, 06/01/2031	25,000	25,199
SBA Communications Corp., 3.13%, 02/01/2029 ^(b)	85,000	82,151
		284,525

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	Principal Amount	Value
Specialty Chemicals-1.07%		
Sasol Financing USA LLC (South Africa), 4.38%, 09/18/2026	\$ 200,000	\$ 207,251
5.50%, 03/18/2031	200,000	211,100
		418,351
Steel-0.05%		
SunCoke Energy, Inc., 4.88%, 06/30/2029 ^(b)	21,000	21,000
Systems Software-0.28%		
Clarivate Science Holdings Corp., 3.88%, 06/30/2028 ^(b)	54,000	54,559
4.88%, 06/30/2029 ^(b)	14,000	14,385
CrowdStrike Holdings, Inc., 3.00%, 02/15/2029	35,000	35,077
Microsoft Corp., 2.53%, 06/01/2050	6,000	5,909
		109,930
Technology Hardware, Storage & Peripherals-0.21%		
Apple, Inc., 4.25%, 02/09/2047	4,000	5,054
2.80%, 02/08/2061	78,000	76,193
		81,247
Tobacco-0.36%		
Altria Group, Inc., 2.45%, 02/04/2032	31,000	30,014
3.70%, 02/04/2051	38,000	36,108
4.00%, 02/04/2061	38,000	36,535
BAT Capital Corp. (United Kingdom), 2.26%, 03/25/2028	18,000	17,884
Philip Morris International, Inc., 0.88%, 05/01/2026	21,000	20,745
		141,286
Trading Companies & Distributors-0.08%		
Air Lease Corp., 3.00%, 09/15/2023	29,000	30,326
Trucking-0.42%		
Aviation Capital Group LLC, 0.86% (3 mo. USD LIBOR + 0.67%), 07/30/2021 ^{(b)(e)}	15,000	15,003
4.13%, 08/01/2025 ^(b)	13,000	14,059
Triton Container International Ltd. (Bermuda), 2.05%, 04/15/2026 ^(b)	60,000	60,373
3.15%, 06/15/2031 ^(b)	74,000	74,496
		163,931
Wireless Telecommunication Services-2.42%		
Sprint Spectrum Co. LLC/Sprint Spectrum Co. II LLC/Sprint Spectrum Co. III LLC, 4.74%, 03/20/2025 ^(b)	187,500	201,656
5.15%, 03/20/2028 ^(b)	209,000	240,841
T-Mobile USA, Inc., 2.25%, 02/15/2026 ^(b)	53,000	53,464
2.63%, 04/15/2026	59,000	60,474
2.63%, 02/15/2029	32,000	31,640
VEON Holdings B.V. (Netherlands), 3.38%, 11/25/2027 ^(b)	200,000	201,780

	Principal Amount	Value
Wireless Telecommunication Services-(continued)		
Vodafone Group PLC (United Kingdom), 3.25%, 06/04/2081 ^(c)	\$ 45,000	\$ 45,317
4.13%, 06/04/2081 ^(c)	49,000	48,988
5.13%, 06/04/2081 ^(c)	56,000	56,630
		940,790
Total U.S. Dollar Denominated Bonds & Notes (Cost \$18,819,144)		19,417,954
U.S. Treasury Securities-14.91%		
U.S. Treasury Bills-0.43%		
0.04% - 0.05%, 07/15/2021 ^{(g)(h)}	151,000	150,997
0.06%, 11/18/2021 ^{(g)(h)}	15,000	14,998
		165,995
U.S. Treasury Bonds-2.95%		
2.25%, 05/15/2041	826,900	860,622
1.88%, 02/15/2051	303,900	290,129
		1,150,751
U.S. Treasury Notes-11.53%		
0.13%, 06/30/2023	24,000	23,943
0.25%, 06/15/2024	237,300	235,863
0.88%, 06/30/2026	2,692,400	2,691,243
1.25%, 06/30/2028	1,270,700	1,272,785
0.88%, 11/15/2030	300	286
1.63%, 05/15/2031	260,600	264,631
		4,488,751
Total U.S. Treasury Securities (Cost \$5,755,261)		5,805,497
Asset-Backed Securities-12.25%		
Adjustable Rate Mortgage Trust, Series 2004-2, Class 6A1, 0.71%, 02/25/2035 ⁽ⁱ⁾	5,389	5,591
Angel Oak Mortgage Trust, Series 2020-1, Class A1, 2.16%, 12/25/2059 ^{(b)(i)}	26,665	26,872
Series 2020-3, Class A1, 1.69%, 04/25/2065 ^{(b)(i)}	72,579	73,363
Angel Oak Mortgage Trust I LLC, Series 2018-3, Class A1, 3.65%, 09/25/2048 ^{(b)(i)}	11,918	12,008
Series 2019-2, Class A1, 3.63%, 03/25/2049 ^{(b)(i)}	31,079	31,485
Angel Oak Mortgage Trust LLC, Series 2020-5, Class A1, 1.37%, 05/25/2065 ^{(b)(i)}	53,626	53,868
Bain Capital Credit CLO Ltd. (Cayman Islands), Series 2017-2A, Class AR, 1.43% (3 mo. USD LIBOR + 1.25%), 07/25/2030 ^{(b)(e)}	249,889	250,043
Series 2017-2A, Class AR2, 1.00% (3 mo. USD LIBOR + 1.18%), 07/25/2034 ^{(b)(e)}	250,000	250,204
Banc of America Commercial Mortgage Trust, Series 2015-UBS7, Class AS, 3.99%, 09/15/2048 ⁽ⁱ⁾	70,000	76,501

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	Principal Amount	Value
Benchmark Mortgage Trust, Series 2018-B3, Class C, 4.71%, 04/10/2051 ⁽ⁱ⁾	\$ 42,000	\$ 46,745
Series 2019-B14, Class A5, 3.05%, 12/15/2062	90,000	97,608
Series 2019-B14, Class C, 3.90%, 12/15/2062 ⁽ⁱ⁾	83,700	88,913
Series 2019-B15, Class B, 3.56%, 12/15/2072	70,000	75,670
Chase Home Lending Mortgage Trust, Series 2019-ATR2, Class A3, 3.50%, 07/25/2049 ^{(b)(i)}	47,207	48,615
Chase Mortgage Finance Corp., Series 2016-SH1, Class M3, 3.75%, 04/25/2045 ^{(b)(i)}	40,206	40,775
Series 2016-SH2, Class M3, 3.71%, 12/25/2045 ^{(b)(i)}	41,812	42,426
Citigroup Mortgage Loan Trust, Inc., Series 2019-IMC1, Class A1, 2.72%, 07/25/2049 ^{(b)(i)}	39,765	40,229
COLT Mortgage Loan Trust, Series 2020-1, Class A1, 2.49%, 02/25/2050 ^{(b)(i)}	39,979	40,268
Series 2020-1R, Class A1, 1.26%, 09/25/2065 ^{(b)(i)}	56,959	57,220
Series 2020-2, Class A1, 1.85%, 03/25/2065 ^{(b)(i)}	48,082	48,386
Commercial Mortgage Trust, Series 2015-CR25, Class B, 4.68%, 08/10/2048 ⁽ⁱ⁾	72,000	79,448
Credit Suisse Mortgage Capital Cfts., Series 2020-SPT1, Class A1, 1.62%, 04/25/2065 ^{(b)(f)}	53,665	53,991
Credit Suisse Mortgage Trust, Series 2021-NQM2, Class A1, 1.18%, 02/25/2066 ^{(b)(i)}	88,588	88,695
CSAIL Commercial Mortgage Trust, Series 2020-C19, Class A3, 2.56%, 03/15/2053	139,000	144,597
CSFB Mortgage-Backed Pass-Through Cfts., Series 2004-AR5, Class 3A1, 2.82%, 06/25/2034 ⁽ⁱ⁾	9,407	9,787
DB Master Finance LLC, Series 2019-1A, Class A23, 4.35%, 05/20/2049 ^(b)	49,125	54,442
Series 2019-1A, Class A2II, 4.02%, 05/20/2049 ^(b)	49,125	52,049
Deephaven Residential Mortgage Trust, Series 2019-4A, Class A1, 2.79%, 10/25/2059 ^{(b)(i)}	39,281	39,588
Domino's Pizza Master Issuer LLC, Series 2019-1A, Class A2, 3.67%, 10/25/2049 ^(b)	107,637	116,876
DT Auto Owner Trust, Series 2019-3A, Class C, 2.74%, 04/15/2025 ^(b)	40,000	40,523
Series 2019-3A, Class D, 2.96%, 04/15/2025 ^(b)	56,000	57,918
Ellington Financial Mortgage Trust, Series 2019-2, Class A1, 2.74%, 11/25/2059 ^{(b)(i)}	54,512	55,550
Galton Funding Mortgage Trust, Series 2019-H1, Class A1, 2.66%, 10/25/2059 ^{(b)(i)}	21,383	21,785

	Principal Amount	Value
GCAT Trust, Series 2019-NQM2, Class A1, 2.86%, 09/25/2059 ^{(b)(f)}	\$ 47,554	\$ 47,775
Series 2019-NQM3, Class A1, 2.69%, 11/25/2059 ^{(b)(i)}	48,809	50,060
GMACM Mortgage Loan Trust, Series 2006-AR1, Class 1A1, 3.05%, 04/19/2036 ⁽ⁱ⁾	39,003	34,267
GS Mortgage Securities Trust, Series 2020-GC45, Class A5, 2.91%, 02/13/2053	50,000	53,725
Series 2020-GC47, Class A5, 2.38%, 05/12/2053	55,000	56,887
Invitation Homes Trust, Series 2017- SFR2, Class C, 1.53% (1 mo. USD LIBOR + 1.45%), 12/17/2036 ^{(b)(e)}	99,983	100,290
Life Mortgage Trust, Series 2021-BMR, Class B, 0.95% (1 mo. USD LIBOR + 0.88%), 03/15/2038 ^{(b)(e)}	100,000	100,281
Merrill Lynch Mortgage Investors Trust, Series 2005-3, Class 3A, 2.25%, 11/25/2035 ⁽ⁱ⁾	9,968	10,073
Morgan Stanley Capital I Trust, Series 2017-CLS, Class A, 0.77% (1 mo. USD LIBOR + 0.70%), 11/15/2034 ^{(b)(e)}	99,000	99,075
Series 2017-CLS, Class B, 0.92% (1 mo. USD LIBOR + 0.85%), 11/15/2034 ^{(b)(e)}	49,000	49,039
Series 2017-CLS, Class C, 1.07% (1 mo. USD LIBOR + 1.00%), 11/15/2034 ^{(b)(e)}	33,000	33,026
Series 2019-L2, Class A4, 4.07%, 03/15/2052	80,000	92,019
Series 2019-L3, Class AS, 3.49%, 11/15/2052	60,000	65,645
MVW LLC, Series 2019-2A, Class A, 2.22%, 10/20/2038 ^(b)	57,905	59,037
MVW Owner Trust, Series 2019-1A, Class A, 2.89%, 11/20/2036 ^(b)	46,442	47,799
New Residential Mortgage Loan Trust, Series 2019-NQM4, Class A1, 2.49%, 09/25/2059 ^{(b)(i)}	45,374	45,867
Series 2020-NQM1, Series A1, 2.46%, 01/26/2060 ^{(b)(i)}	56,277	56,913
One Bryant Park Trust, Series 2019- OBP, Class A, 2.52%, 09/15/2054 ^(b)	114,000	118,341
Progress Residential Trust, Series 2020-SFR1, Class A, 1.73%, 04/17/2037 ^(b)	100,000	101,583
Sonic Capital LLC, Series 2020-1A, Class A2I, 3.85%, 01/20/2050 ^(b)	49,458	52,428
Star Trust, Series 2021-1, Class A1, 1.22%, 05/25/2065 ^{(b)(i)}	83,686	84,010
Starwood Mortgage Residential Trust, Series 2020-1, Class A1, 2.28%, 02/25/2050 ^{(b)(i)}	51,090	51,730
Series 2020-INV1, Class A1, 1.03%, 11/25/2055 ^{(b)(i)}	76,053	76,120
Structured Adjustable Rate Mortgage Loan Trust, Series 2004-12, Class 3A2, 2.48%, 09/25/2034 ⁽ⁱ⁾	6,170	6,323
Structured Asset Securities Corp. Mortgage Pass-Through Cfts., Series 2003-34A, Class 5A5, 2.43%, 11/25/2033 ⁽ⁱ⁾	45,549	45,811

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Textainer Marine Containers VII Ltd., Series 2021-2A, Class A, 2.23%, 04/20/2046 ^(b)	\$ 98,667	\$ 100,184
Thornburg Mortgage Securities Trust, Series 2005-1, Class A3, 4.66%, 04/25/2045 ⁽ⁱ⁾	24,231	24,681
TICP CLO XV Ltd., Series 2020-15A, Class A, 1.47% (3 mo. USD LIBOR + 1.28%), 04/20/2033 ^{(b)(e)}	250,000	250,941
Towd Point Mortgage Trust, Series 2017-2, Class A1, 2.75%, 04/25/2057 ^{(b)(i)}	26,204	26,601
UBS Commercial Mortgage Trust, Series 2019-C16, Class A4, 3.60%, 04/15/2052	80,000	89,156
Verus Securitization Trust, Series 2020-1, Class A1, 2.42%, 01/25/2060 ^{(b)(f)}	48,363	49,058
Series 2021-1, Class A1B, 1.32%, 01/25/2066 ^{(b)(i)}	86,085	86,361
Series 2021-R1, Class A1, 0.82%, 10/25/2063 ^{(b)(i)}	78,468	78,498
Wendy's Funding LLC, Series 2018-1A, Class A2II, 3.88%, 03/15/2048 ^(b)	57,900	61,847
WFRBS Commercial Mortgage Trust, Series 2012-C6, Class B, 4.70%, 04/15/2045	80,000	81,506
Zaxby's Funding LLC, Series 2021-1A, Class A2, 3.24%, 07/30/2051 ^(b)	156,500	159,401
Total Asset-Backed Securities (Cost \$4,663,414)		4,768,397

U.S. Government Sponsored Agency Mortgage-Backed Securities-6.90%

Collateralized Mortgage Obligations-0.53%

Freddie Mac Multifamily Structured Pass-Through Cdfs., Series K083, Class AM, 4.03%, 10/25/2028 ⁽ⁱ⁾	23,000	26,940
Series K085, Class AM, 4.06%, 10/25/2028 ⁽ⁱ⁾	23,000	27,008
Series K089, Class AM, 3.63%, 01/25/2029 ⁽ⁱ⁾	39,000	44,942
Series K088, Class AM, 3.76%, 01/25/2029 ⁽ⁱ⁾	92,000	106,433
		205,323

Federal Home Loan Mortgage Corp. (FHLMC)-0.43%

6.50%, 08/01/2032	569	641
4.00%, 11/01/2048 to 07/01/2049	157,348	168,193
		168,834

Federal National Mortgage Association (FNMA)-3.68%

3.50%, 12/01/2030 to 05/01/2047	533,371	568,867
6.50%, 09/01/2031	536	624
7.00%, 09/01/2032	4,105	4,436
TBA, 2.00%, 07/01/2036 ⁽ⁱ⁾	831,000	857,180
		1,431,107

	Principal Amount	Value
Government National Mortgage Association (GNMA)-1.08%		
7.50%, 06/15/2023	\$ 205	\$ 205
8.50%, 11/15/2024	504	507
7.00%, 07/15/2031 to 08/15/2031	560	642
6.50%, 11/15/2031 to 03/15/2032	1,076	1,202
6.00%, 11/15/2032	754	875
4.00%, 07/20/2049	63,326	67,097
TBA, 2.00%, 07/01/2051 ⁽ⁱ⁾	345,000	351,388
		421,916

Uniform Mortgage-Backed Securities-1.18%

TBA, 2.00%, 07/01/2051 ⁽ⁱ⁾	455,000	459,444
Total U.S. Government Sponsored Agency Mortgage-Backed Securities (Cost \$2,650,161)		2,686,624

Shares

Preferred Stocks-1.94%

Asset Management & Custody Banks-0.07%

Bank of New York Mellon Corp. (The), 4.70%, Series G, Pfd. ^(c)	24,000	26,250
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Diversified Banks-0.81%

Bank of America Corp., 6.50%, Series Z, Pfd. ^(c)	36,000	40,860
Citigroup, Inc., 6.25%, Series T, Pfd. ^(c)	30,000	35,129
Citigroup, Inc., 5.00%, Series U, Pfd. ^(c)	95,000	99,665
Citigroup, Inc., 4.00%, Series W, Pfd. ^(c)	57,000	59,066
JPMorgan Chase & Co., 3.66%, Series I, Pfd. ^(e)	65,000	65,244
Wells Fargo & Co., 7.50%, Class A, Series L, Conv. Pfd.	11	16,788
		316,752

Integrated Telecommunication Services-0.31%

AT&T, Inc., 2.88%, Series B, Pfd. ^(c)	100,000	120,978
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Investment Banking & Brokerage-0.55%

Charles Schwab Corp. (The), 4.00%, Series H, Pfd. ^(c)	30,000	30,727
Goldman Sachs Group, Inc. (The), 5.00%, Series P, Pfd. ^(c)	40,000	40,600
Morgan Stanley, 6.88%, Series F, Pfd. ^(c)	5,000	141,500
		212,827

Life & Health Insurance-0.07%

MetLife, Inc., 3.85%, Series G, Pfd. ^(c)	26,000	27,398
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Multi-Utilities-0.05%

CenterPoint Energy, Inc., 6.13%, Series A, Pfd. ^(c)	18,000	19,136
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Other Diversified Financial Services-0.08%

Equitable Holdings, Inc., 4.95%, Series B, Pfd. ^(c)	30,000	32,700
Total Preferred Stocks (Cost \$698,724)		756,041

Principal Amount

Non-U.S. Dollar Denominated Bonds & Notes-0.37%^(k)

Movies & Entertainment-0.37%

Netflix, Inc., 3.88%, 11/15/2029 (Cost \$111,565) ^(b)	EUR 100,000	143,031
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See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Agency Credit Risk Transfer Notes-0.37%		
Fannie Mae Connecticut Avenue Securities, Series 2018-C05, Class 1M2, 2.44% (1 mo. USD LIBOR + 2.35%), 01/25/2031 ^(e)	\$ 20,153	\$ 20,416
Series 2019-R03, Class 1M2, 2.24% (1 mo. USD LIBOR + 2.15%), 09/25/2031 ^{(b)(e)}	17,437	17,574
Series 2019-R06, Class 2M2, 2.19% (1 mo. USD LIBOR + 2.10%), 09/25/2039 ^{(b)(e)}	21,904	22,025
Freddie Mac, Series 2020-DNA5, Class M2, STACR [®] , 2.82% (30 Day Average SOFR + 2.80%), 10/25/2050 ^{(b)(e)}	75,000	76,191
Series 2020-DNA5, Class M1, STACR [®] , 1.32% (30 Day Average SOFR + 1.30%), 10/25/2050 ^{(b)(e)}	5,444	5,445
Total Agency Credit Risk Transfer Notes (Cost \$140,297)		141,651

	Shares	Value
Money Market Funds-19.08%		
Invesco Government & Agency Portfolio, Institutional Class, 0.03% ^{(1)(m)}	2,545,179	\$ 2,545,179
Invesco Liquid Assets Portfolio, Institutional Class, 0.01% ^{(1)(m)}	1,971,947	1,972,735
Invesco Treasury Portfolio, Institutional Class, 0.01% ^{(1)(m)}	2,908,777	2,908,777
Total Money Market Funds (Cost \$7,426,418)		7,426,691
TOTAL INVESTMENTS IN SECURITIES-105.70% (Cost \$40,264,984)		41,145,886
OTHER ASSETS LESS LIABILITIES-(5.70)%		(2,218,317)
NET ASSETS-100.00%		\$38,927,569

Investment Abbreviations:

CLO - Collateralized Loan Obligation
Conv. - Convertible
Ctfs. - Certificates
EUR - Euro
LIBOR - London Interbank Offered Rate
Pfd. - Preferred
REIT - Real Estate Investment Trust
SOFR - Secured Overnight Financing Rate
TBA - To Be Announced
USD - U.S. Dollar

Notes to Schedule of Investments:

- (a) Industry and/or sector classifications used in this report are generally according to the Global Industry Classification Standard, which was developed by and is the exclusive property and a service mark of MSCI Inc. and Standard & Poor's.
- (b) Security purchased or received in a transaction exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"). The security may be resold pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. The aggregate value of these securities at June 30, 2021 was \$14,373,802, which represented 36.92% of the Fund's Net Assets.
- (c) Security issued at a fixed rate for a specific period of time, after which it will convert to a variable rate.
- (d) Perpetual bond with no specified maturity date.
- (e) Interest or dividend rate is redetermined periodically. Rate shown is the rate in effect on June 30, 2021.
- (f) Step coupon bond. The interest rate represents the coupon rate at which the bond will accrue at a specified future date.
- (g) All or a portion of the value was pledged and/or designated as collateral to cover margin requirements for open futures contracts and swap agreements. See Note 1L and Note 1N.
- (h) Security traded on a discount basis. The interest rate shown represents the discount rate at the time of purchase by the Fund.
- (i) Interest rate is redetermined periodically based on the cash flows generated by the pool of assets backing the security, less any applicable fees. The rate shown is the rate in effect on June 30, 2021.
- (j) Security purchased on a forward commitment basis. This security is subject to dollar roll transactions. See Note 10.
- (k) Foreign denominated security. Principal amount is denominated in the currency indicated.
- (l) Affiliated issuer. The issuer and/or the Fund is a wholly-owned subsidiary of Invesco Ltd., or is affiliated by having an investment adviser that is under common control of Invesco Ltd. The table below shows the Fund's transactions in, and earnings from, its investments in affiliates for the six months ended June 30, 2021.

	Value December 31, 2020	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation (Depreciation)	Realized Gain	Value June 30, 2021	Dividend Income
Investments in Affiliated Money Market Funds:							
Invesco Government & Agency Portfolio, Institutional Class	\$1,152,387	\$ 5,219,080	\$ (3,826,288)	\$ -	\$ -	\$2,545,179	\$158
Invesco Liquid Assets Portfolio, Institutional Class	943,049	3,727,914	(2,698,323)	(63)	158	1,972,735	91
Invesco Treasury Portfolio, Institutional Class	1,317,014	5,964,662	(4,372,899)	-	-	2,908,777	64
Total	\$3,412,450	\$14,911,656	\$(10,897,510)	\$(63)	\$158	\$7,426,691	\$313

(m) The rate shown is the 7-day SEC standardized yield as of June 30, 2021.

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Open Over-The-Counter Credit Default Swaptions Written

Counterparty	Type of Contract	Exercise Rate	Reference Entity	(Pay)/ Receive Fixed Rate	Payment Frequency	Expiration Date	Implied Credit Spread ^(a)	Premiums Received	Notional Value	Value	Unrealized Appreciation
Credit Risk											
			Markit CDX North America High Yield Index, Series 36,								
Goldman Sachs International	Put	107.00%	Version 1	(5.00)%	Quarterly	07/21/2021	2.7428%	\$(4,764)	USD 781,000	\$(390)	\$4,374

^(a) Implied credit spreads represent the current level, as of June 30, 2021, at which protection could be bought or sold given the terms of the existing credit default swap agreement and serve as an indicator of the current status of the payment/performance risk of the credit default swap agreement. An implied credit spread that has widened or increased since entry into the initial agreement may indicate a deteriorating credit profile and increased risk of default for the reference entity. A declining or narrowing spread may indicate an improving credit profile or decreased risk of default for the reference entity. Alternatively, credit spreads may increase or decrease reflecting the general tolerance for risk in the credit markets generally.

Open Futures Contracts

Long Futures Contracts	Number of Contracts	Expiration Month	Notional Value	Value	Unrealized Appreciation (Depreciation)
Interest Rate Risk					
U.S. Treasury 2 Year Notes	31	September-2021	\$ 6,829,930	\$(10,717)	\$(10,717)
U.S. Treasury 5 Year Notes	27	September-2021	3,332,602	(7,451)	(7,451)
U.S. Treasury Long Bonds	3	September-2021	482,250	2,063	2,063
U.S. Treasury Ultra Bonds	5	September-2021	963,437	5,937	5,937
Subtotal-Long Futures Contracts				(10,168)	(10,168)
Short Futures Contracts					
Interest Rate Risk					
U.S. Treasury 10 Year Notes	19	September-2021	(2,517,500)	(10,728)	(10,728)
U.S. Treasury 10 Year Ultra Notes	15	September-2021	(2,208,047)	(32,359)	(32,359)
Subtotal-Short Futures Contracts				(43,087)	(43,087)
Total Futures Contracts				\$(53,255)	\$(53,255)

Open Forward Foreign Currency Contracts

Settlement Date	Counterparty	Contract to		Unrealized Appreciation
		Deliver	Receive	
Currency Risk				
08/17/2021	State Street Bank & Trust Co.	EUR 251,000	USD 305,583	\$7,682

Open Centrally Cleared Credit Default Swap Agreements

Reference Entity	Buy/Sell Protection	(Pay)/ Receive Fixed Rate	Payment Frequency	Maturity Date	Implied Credit Spread ^(a)	Notional Value	Upfront Payments Paid (Received)	Value	Unrealized Appreciation (Depreciation)
Credit Risk									
Markit CDX North America High Yield Index, Series 36, Version 1	Buy	(5.00)%	Quarterly	06/20/2026	2.7428%	USD 1,192,213	\$(114,907)	\$(121,651)	\$(6,744)

^(a) Implied credit spreads represent the current level, as of June 30, 2021, at which protection could be bought or sold given the terms of the existing credit default swap agreement and serve as an indicator of the current status of the payment/performance risk of the credit default swap agreement. An implied credit spread that has widened or increased since entry into the initial agreement may indicate a deteriorating credit profile and increased risk of default for the reference entity. A declining or narrowing spread may indicate an improving credit profile or decreased risk of default for the reference entity. Alternatively, credit spreads may increase or decrease reflecting the general tolerance for risk in the credit markets generally.

Abbreviations:

EUR –Euro

USD –U.S. Dollar

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Portfolio Composition

*By security type, based on Net Assets
as of June 30, 2021*

U.S. Dollar Denominated Bonds & Notes	49.88%
U.S. Treasury Securities	14.91
Asset-Backed Securities	12.25
U.S. Government Sponsored Agency Mortgage-Backed Securities	6.90
Preferred Stocks	1.94
Security Types Each Less Than 1% of Portfolio	0.74
Money Market Funds Plus Other Assets Less Liabilities	13.38

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Statement of Assets and Liabilities

June 30, 2021

(Unaudited)

Assets:

Investments in securities, at value (Cost \$32,838,566)	\$33,719,195
Investments in affiliated money market funds, at value (Cost \$7,426,418)	7,426,691
Other investments:	
Unrealized appreciation on forward foreign currency contracts outstanding	7,682
Cash	11,128
Foreign currencies, at value (Cost \$84,978)	82,977
Receivable for:	
Investments sold	302,522
Fund shares sold	6,262
Dividends	2,206
Interest	174,123
Investment for trustee deferred compensation and retirement plans	47,577
Total assets	41,780,363

Liabilities:

Other investments:	
Options written, at value (premiums received \$4,764)	390
Variation margin payable - futures contracts	2,196
Variation margin payable – centrally cleared swap agreements	204
Payable for:	
Investments purchased	2,724,936
Fund shares reacquired	10,486
Accrued fees to affiliates	22,125
Accrued other operating expenses	42,561
Trustee deferred compensation and retirement plans	49,896
Total liabilities	2,852,794
Net assets applicable to shares outstanding	\$38,927,569

Net assets consist of:

Shares of beneficial interest	\$35,702,489
Distributable earnings	3,225,080
	\$38,927,569

Net Assets:

Series I	\$37,652,072
Series II	\$ 1,275,497

Shares outstanding, no par value, with an unlimited number of shares authorized:

Series I	5,453,146
Series II	186,084
Series I:	
Net asset value per share	\$ 6.90
Series II:	
Net asset value per share	\$ 6.85

Statement of Operations

For the six months ended June 30, 2021

(Unaudited)

Investment income:

Interest (net of foreign withholding taxes of \$(997))	\$ 425,114
Dividends	4,710
Dividends from affiliated money market funds	313
Total investment income	430,137

Expenses:

Advisory fees	78,585
Administrative services fees	28,747
Custodian fees	3,433
Distribution fees - Series II	1,125
Transfer agent fees	4,888
Trustees' and officers' fees and benefits	9,567
Reports to shareholders	6,944
Professional services fees	22,754
Other	1,663
Total expenses	157,706
Less: Fees waived	(50,836)
Net expenses	106,870
Net investment income	323,267

Realized and unrealized gain (loss) from:

Net realized gain (loss) from:	
Unaffiliated investment securities	(155,774)
Affiliated investment securities	158
Foreign currencies	1,353
Forward foreign currency contracts	(6,934)
Futures contracts	291,274
Swap agreements	373
	130,450
Change in net unrealized appreciation (depreciation) of:	
Unaffiliated investment securities	(543,447)
Affiliated investment securities	(63)
Foreign currencies	(4,345)
Forward foreign currency contracts	17,302
Futures contracts	(55,377)
Option contracts written	4,374
Swap agreements	(6,744)
	(588,300)
Net realized and unrealized gain (loss)	(457,850)
Net increase (decrease) in net assets resulting from operations	\$(134,583)

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Statement of Changes in Net Assets

For the six months ended June 30, 2021 and the year ended December 31, 2020

(Unaudited)

	June 30, 2021	December 31, 2020
Operations:		
Net investment income	\$ 323,267	\$ 593,233
Net realized gain	130,450	1,380,871
Change in net unrealized appreciation (depreciation)	(588,300)	896,395
Net increase (decrease) in net assets resulting from operations	(134,583)	2,870,499
Distributions to shareholders from distributable earnings:		
Series I	-	(794,296)
Series II	-	(9,108)
Total distributions from distributable earnings	-	(803,404)
Share transactions-net:		
Series I	2,907,209	8,069,912
Series II	644,485	245,519
Net increase in net assets resulting from share transactions	3,551,694	8,315,431
Net increase in net assets	3,417,111	10,382,526
Net assets:		
Beginning of period	35,510,458	25,127,932
End of period	\$38,927,569	\$35,510,458

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Financial Highlights

(Unaudited)

The following schedule presents financial highlights for a share of the Fund outstanding throughout the periods indicated.

	Net asset value, beginning of period	Net investment income ^(a)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends from net investment income	Distributions from net realized gains	Total distributions	Net asset value, end of period	Total return ^(b)	Net assets, end of period (000's omitted)	Ratio of expenses to average net assets with fee waivers and/or expenses absorbed	Ratio of expenses to average net assets without fee waivers and/or expenses absorbed	Ratio of net investment income to average net assets	Portfolio turnover ^(c)
Series I														
Six months ended 06/30/21	\$6.93	\$0.06	\$(0.09)	\$(0.03)	\$ -	\$ -	\$ -	\$6.90	(0.43)%	\$37,652	0.61% ^(d)	0.90% ^(d)	1.85% ^(d)	218%
Year ended 12/31/20	6.47	0.13	0.50	0.63	(0.13)	(0.04)	(0.17)	6.93	9.72	34,881	0.59	0.88	1.92	375
Year ended 12/31/19	6.00	0.19	0.47	0.66	(0.19)	-	(0.19)	6.47	11.06	24,769	0.59	1.13	2.94	464
Year ended 12/31/18	6.38	0.22	(0.37)	(0.15)	(0.23)	-	(0.23)	6.00	(2.37)	17,019	0.59	1.78	3.57	339
Year ended 12/31/17	6.21	0.22	0.17	0.39	(0.22)	-	(0.22)	6.38	6.34	20,326	0.60	1.58	3.46	407
Year ended 12/31/16	6.07	0.23	0.18	0.41	(0.27)	-	(0.27)	6.21	6.66	15,485	0.55	1.68	3.71	474
Series II														
Six months ended 06/30/21	6.89	0.05	(0.09)	(0.04)	-	-	-	6.85	(0.58)	1,275	0.86 ^(d)	1.15 ^(d)	1.60 ^(d)	218
Year ended 12/31/20	6.45	0.11	0.49	0.60	(0.12)	(0.04)	(0.16)	6.89	9.33	629	0.84	1.13	1.67	375
Year ended 12/31/19	5.97	0.17	0.49	0.66	(0.18)	-	(0.18)	6.45	11.00	359	0.84	1.38	2.69	464
Year ended 12/31/18	6.35	0.20	(0.37)	(0.17)	(0.21)	-	(0.21)	5.97	(2.64)	117	0.84	2.03	3.32	339
Year ended 12/31/17	6.19	0.20	0.16	0.36	(0.20)	-	(0.20)	6.35	5.89	123	0.85	1.83	3.21	407
Year ended 12/31/16	6.04	0.22	0.18	0.40	(0.25)	-	(0.25)	6.19	6.52	126	0.80	1.93	3.46	474

^(a) Calculated using average shares outstanding.

^(b) Includes adjustments in accordance with accounting principles generally accepted in the United States of America and as such, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions. Total returns are not annualized for periods less than one year, if applicable, and do not reflect charges assessed in connection with a variable product, which if included would reduce total returns.

^(c) Portfolio turnover is calculated at the fund level and is not annualized for periods less than one year, if applicable.

^(d) Ratios are annualized and based on average daily net assets (000's omitted) of \$34,308 and \$908 for Series I and Series II shares, respectively.

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Notes to Financial Statements

June 30, 2021

(Unaudited)

NOTE 1—Significant Accounting Policies

Invesco V.I. Core Plus Bond Fund (the “Fund”) is a series portfolio of AIM Variable Insurance Funds (Invesco Variable Insurance Funds) (the “Trust”). The Trust is a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end series management investment company. Information presented in these financial statements pertains only to the Fund. Matters affecting the Fund or each class will be voted on exclusively by the shareholders of the Fund or each class. Current Securities and Exchange Commission (“SEC”) guidance, however, requires participating insurance companies offering separate accounts to vote shares proportionally in accordance with the instructions of the contract owners whose investments are funded by shares of each Fund or class.

The Fund’s investment objective is total return, comprised of current income and capital appreciation.

The Fund currently offers two classes of shares, Series I and Series II, both of which are offered to insurance company separate accounts funding variable annuity contracts and variable life insurance policies (“variable products”).

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 946, *Financial Services – Investment Companies*.

The following is a summary of the significant accounting policies followed by the Fund in the preparation of its financial statements.

A. Security Valuations – Securities, including restricted securities, are valued according to the following policy.

Debt obligations (including convertible securities) and unlisted equities are fair valued using an evaluated quote provided by an independent pricing service.

Evaluated quotes provided by the pricing service may be determined without exclusive reliance on quoted prices, and may reflect appropriate factors such as institution-size trading in similar groups of securities, developments related to specific securities, dividend rate (for unlisted equities), yield (for debt obligations), quality, type of issue, coupon rate (for debt obligations), maturity (for debt obligations), individual trading characteristics and other market data. Pricing services generally value debt obligations assuming orderly transactions of institutional round lot size, but a fund may hold or transact in the same securities in smaller, odd lot sizes. Odd lots often trade at lower prices than institutional round lots. Debt obligations are subject to interest rate and credit risks. In addition, all debt obligations involve some risk of default with respect to interest and/or principal payments.

A security listed or traded on an exchange (except convertible securities) is valued at its last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded, or lacking any sales or official closing price on a particular day, the security may be valued at the closing bid price on that day. Securities traded in the over-the-counter market are valued based on prices furnished by independent pricing services or market makers. When such securities are valued by an independent pricing service they may be considered fair valued. Futures contracts are valued at the final settlement price set by an exchange on which they are principally traded. Listed options are valued at the mean between the last bid and asked prices from the exchange on which they are principally traded. Options not listed on an exchange are valued by an independent source at the mean between the last bid and asked prices. For purposes of determining net asset value (“NAV”) per share, futures and option contracts generally are valued 15 minutes after the close of the customary trading session of the New York Stock Exchange (“NYSE”).

Investments in open-end and closed-end registered investment companies that do not trade on an exchange are valued at the end-of-day net asset value per share. Investments in open-end and closed-end registered investment companies that trade on an exchange are valued at the last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded.

Swap agreements are fair valued using an evaluated quote, if available, provided by an independent pricing service. Evaluated quotes provided by the pricing service are valued based on a model which may include end-of-day net present values, spreads, ratings, industry, company performance and returns of referenced assets. Centrally cleared swap agreements are valued at the daily settlement price determined by the relevant exchange or clearinghouse.

Foreign securities’ (including foreign exchange contracts) prices are converted into U.S. dollar amounts using the applicable exchange rates as of the close of the NYSE. If market quotations are available and reliable for foreign exchange-traded equity securities, the securities will be valued at the market quotations. Because trading hours for certain foreign securities end before the close of the NYSE, closing market quotations may become unreliable. If between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that the investment adviser determines are significant and make the closing price unreliable, the Fund may fair value the security. If the event is likely to have affected the closing price of the security, the security will be valued at fair value in good faith using procedures approved by the Board of Trustees. Adjustments to closing prices to reflect fair value may also be based on a screening process of an independent pricing service to indicate the degree of certainty, based on historical data, that the closing price in the principal market where a foreign security trades is not the current value as of the close of the NYSE. Foreign securities’ prices meeting the approved degree of certainty that the price is not reflective of current value will be priced at the indication of fair value from the independent pricing service. Multiple factors may be considered by the independent pricing service in determining adjustments to reflect fair value and may include information relating to sector indices, American Depositary Receipts and domestic and foreign index futures. Foreign securities may have additional risks including exchange rate changes, potential for sharply devalued currencies and high inflation, political and economic upheaval, the relative lack of issuer information, relatively low market liquidity and the potential lack of strict financial and accounting controls and standards.

Securities for which market prices are not provided by any of the above methods may be valued based upon quotes furnished by independent sources. The last bid price may be used to value equity securities. The mean between the last bid and asked prices is used to value debt obligations, including corporate loans.

Securities for which market quotations are not readily available or became unreliable are valued at fair value as determined in good faith by or under the supervision of the Trust’s officers following procedures approved by the Board of Trustees. Issuer specific events, market trends, bid/asked quotes of brokers and information providers and other market data may be reviewed in the course of making a good faith determination of a security’s fair value.

The Fund may invest in securities that are subject to interest rate risk, meaning the risk that the prices will generally fall as interest rates rise and, conversely, the prices will generally rise as interest rates fall. Specific securities differ in their sensitivity to changes in interest rates depending on their individual characteristics. Changes in interest rates may result in increased market volatility, which may affect the value and/or liquidity of certain Fund investments.

Valuations change in response to many factors including the historical and prospective earnings of the issuer, the value of the issuer’s assets, general market conditions which are not specifically related to the particular issuer, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates, regional or global instability, natural or environmental disasters, widespread disease or other public health issues, war, acts of terrorism or adverse investor sentiment generally and market liquidity. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

B. Securities Transactions and Investment Income – Securities transactions are accounted for on a trade date basis. Realized gains or losses on sales are computed on the basis of specific identification of the securities sold. Interest income (net of withholding tax, if any) is recorded on an accrual basis from settlement date and includes coupon interest and amortization of premium and accretion of discount on debt securities as applicable. Pay-in-kind interest income

and non-cash dividend income received in the form of securities in-lieu of cash are recorded at the fair value of the securities received. Dividend income (net of withholding tax, if any) is recorded on the ex-dividend date.

The Fund may periodically participate in litigation related to Fund investments. As such, the Fund may receive proceeds from litigation settlements. Any proceeds received are included in the Statement of Operations as realized gain (loss) for investments no longer held and as unrealized gain (loss) for investments still held.

Brokerage commissions and mark ups are considered transaction costs and are recorded as an increase to the cost basis of securities purchased and/or a reduction of proceeds on a sale of securities. Such transaction costs are included in the determination of net realized and unrealized gain (loss) from investment securities reported in the Statement of Operations and the Statement of Changes in Net Assets and the net realized and unrealized gains (losses) on securities per share in the Financial Highlights. Transaction costs are included in the calculation of the Fund's net asset value and, accordingly, they reduce the Fund's total returns. These transaction costs are not considered operating expenses and are not reflected in net investment income reported in the Statement of Operations and the Statement of Changes in Net Assets, or the net investment income per share and the ratios of expenses and net investment income reported in the Financial Highlights, nor are they limited by any expense limitation arrangements between the Fund and the investment adviser.

The Fund allocates income and realized and unrealized capital gains and losses to a class based on the relative net assets of each class.

C. Country Determination – For the purposes of making investment selection decisions and presentation in the Schedule of Investments, the investment adviser may determine the country in which an issuer is located and/or credit risk exposure based on various factors. These factors include the laws of the country under which the issuer is organized, where the issuer maintains a principal office, the country in which the issuer derives 50% or more of its total revenues and the country that has the primary market for the issuer's securities, as well as other criteria. Among the other criteria that may be evaluated for making this determination are the country in which the issuer maintains 50% or more of its assets, the type of security, financial guarantees and enhancements, the nature of the collateral and the sponsor organization. Country of issuer and/or credit risk exposure has been determined to be the United States of America, unless otherwise noted.

D. Distributions – Distributions from net investment income and net realized capital gain, if any, are generally declared and paid to separate accounts of participating insurance companies annually and recorded on the ex-dividend date.

E. Federal Income Taxes – The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), necessary to qualify as a regulated investment company and to distribute substantially all of the Fund's taxable earnings to shareholders. As such, the Fund will not be subject to federal income taxes on otherwise taxable income (including net realized capital gain) that is distributed to shareholders. Therefore, no provision for federal income taxes is recorded in the financial statements.

The Fund recognizes the tax benefits of uncertain tax positions only when the position is more likely than not to be sustained. Management has analyzed the Fund's uncertain tax positions and concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions. Management is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

The Fund files tax returns in the U.S. Federal jurisdiction and certain other jurisdictions. Generally, the Fund is subject to examinations by such taxing authorities for up to three years after the filing of the return for the tax period.

F. Expenses – Fees provided for under the Rule 12b-1 plan of a particular class of the Fund and which are directly attributable to that class are charged to the operations of such class. All other expenses are allocated among the classes based on relative net assets.

G. Accounting Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period including estimates and assumptions related to taxation. Actual results could differ from those estimates by a significant amount. In addition, the Fund monitors for material events or transactions that may occur or become known after the period-end date and before the date the financial statements are released to print.

H. Indemnifications – Under the Trust's organizational documents, each Trustee, officer, employee or other agent of the Trust is indemnified against certain liabilities that may arise out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts, including the Fund's servicing agreements, that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. The risk of material loss as a result of such indemnification claims is considered remote.

I. Lower-Rated Securities – The Fund may invest in lower-quality debt securities, i.e., "junk bonds". Investments in lower-rated securities or unrated securities of comparable quality tend to be more sensitive to economic conditions than higher rated securities. Junk bonds involve a greater risk of default by the issuer because such securities are generally unsecured and are often subordinated to other creditors' claims.

J. Foreign Currency Translations – Foreign currency is valued at the close of the NYSE based on quotations posted by banks and major currency dealers. Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of portfolio securities (net of foreign taxes withheld on disposition) and income items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Fund does not separately account for the portion of the results of operations resulting from changes in foreign exchange rates on investments and the fluctuations arising from changes in market prices of securities held. The combined results of changes in foreign exchange rates and the fluctuation of market prices on investments (net of estimated foreign tax withholding) are included with the net realized and unrealized gain or loss from investments in the Statement of Operations. Reported net realized foreign currency gains or losses arise from (1) sales of foreign currencies, (2) currency gains or losses realized between the trade and settlement dates on securities transactions, and (3) the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency gains and losses arise from changes in the fair values of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates.

The Fund may invest in foreign securities, which may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests and are shown in the Statement of Operations.

K. Forward Foreign Currency Contracts – The Fund may engage in foreign currency transactions either on a spot (i.e. for prompt delivery and settlement) basis, or through forward foreign currency contracts, to manage or minimize currency or exchange rate risk.

The Fund may also enter into forward foreign currency contracts for the purchase or sale of a security denominated in a foreign currency in order to "lock in" the U.S. dollar price of that security, or the Fund may also enter into forward foreign currency contracts that do not provide for physical settlement of the two currencies, but instead are settled by a single cash payment calculated as the difference between the agreed upon exchange rate and the spot rate at settlement based upon an agreed upon notional amount (non-deliverable forwards). The Fund will set aside liquid assets in an amount equal to the daily mark-to-market obligation for forward foreign currency contracts.

A forward foreign currency contract is an obligation between two parties ("Counterparties") to purchase or sell a specific currency for an agreed-upon price at a future date. The use of forward foreign currency contracts does not eliminate fluctuations in the price of the underlying securities the Fund owns or intends to acquire but establishes a rate of exchange in advance. Fluctuations in the value of these contracts are measured by the difference in the contract date and reporting date exchange rates and are recorded as unrealized appreciation (depreciation) until the contracts are closed. When the contracts are closed, realized gains (losses) are recorded. Realized and unrealized gains (losses) on the contracts are included in the Statement of Operations. The primary risks associated with

forward foreign currency contracts include failure of the Counterparty to meet the terms of the contract and the value of the foreign currency changing unfavorably. These risks may be in excess of the amounts reflected in the Statement of Assets and Liabilities.

L. Futures Contracts – The Fund may enter into futures contracts to manage exposure to interest rate, equity and market price movements and/or currency risks. A futures contract is an agreement between Counterparties to purchase or sell a specified underlying security, currency or commodity (or delivery of a cash settlement price, in the case of an index future) for a fixed price at a future date. The Fund currently invests only in exchange-traded futures and they are standardized as to maturity date and underlying financial instrument. Initial margin deposits required upon entering into futures contracts are satisfied by the segregation of specific securities or cash as collateral at the futures commission merchant (broker). During the period the futures contracts are open, changes in the value of the contracts are recognized as unrealized gains or losses by recalculating the value of the contracts on a daily basis. Subsequent or variation margin payments are received or made depending upon whether unrealized gains or losses are incurred. These amounts are reflected as receivables or payables on the Statement of Assets and Liabilities. When the contracts are closed or expire, the Fund recognizes a realized gain or loss equal to the difference between the proceeds from, or cost of, the closing transaction and the Fund's basis in the contract. The net realized gain (loss) and the change in unrealized gain (loss) on futures contracts held during the period is included on the Statement of Operations. The primary risks associated with futures contracts are market risk and the absence of a liquid secondary market. If the Fund were unable to liquidate a futures contract and/or enter into an offsetting closing transaction, the Fund would continue to be subject to market risk with respect to the value of the contracts and continue to be required to maintain the margin deposits on the futures contracts. Futures contracts have minimal Counterparty risk since the exchange's clearinghouse, as Counterparty to all exchange-traded futures, guarantees the futures against default. Risks may exceed amounts recognized in the Statement of Assets and Liabilities.

M. Put Options Purchased and Written – The Fund may purchase and write put options including options on securities indexes, or foreign currency and/or futures contracts. By purchasing a put option, the Fund obtains the right (but not the obligation) to sell the option's underlying instrument at a fixed strike price. In return for this right, the Fund pays an option premium. The option's underlying instrument may be a security, securities index, or a futures contract.

Additionally, the Fund may enter into an option on a swap agreement, also called a "swaption". A swaption is an option that gives the buyer the right, but not the obligation, to enter into a swap on a future date in exchange for paying a market-based premium. A receiver swaption gives the owner the right to receive the total return of a specified asset, reference rate or index. Swaptions also include options that allow an existing swap to be terminated or extended by one of the Counterparties.

Put options may be used by the Fund to hedge securities it owns by locking in a minimum price at which the Fund can sell. If security prices fall, the put option could be exercised to offset all or a portion of the Fund's resulting losses. At the same time, because the maximum the Fund has at risk is the cost of the option, purchasing put options does not eliminate the potential for the Fund to profit from an increase in the value of the underlying portfolio securities. The Fund may write put options to earn additional income in the form of option premiums if it expects the price of the underlying instrument to remain stable or rise during the option period so that the option will not be exercised. The risk in this strategy is that the price of the underlying securities may decline by an amount greater than the premium received. Put options written are reported as a liability in the Statement of Assets and Liabilities. Realized and unrealized gains and losses on put options purchased and put options written are included in the Statement of Operations as Net realized gain (loss) from and Change in net unrealized appreciation (depreciation) of Investment securities and Option contracts written, respectively. A risk in buying an option is that the Fund pays a premium whether or not the option is exercised. In addition, there can be no assurance that a liquid secondary market will exist for any option purchased.

N. Swap Agreements – The Fund may enter into various swap transactions, including interest rate, total return, index, currency and credit default swap contracts ("CDS") for investment purposes or to manage interest rate, currency or credit risk. Such transactions are agreements between Counterparties. A swap agreement may be negotiated bilaterally and traded over-the-counter ("OTC") between two parties ("uncleared/ OTC") or, in some instances, must be transacted through a future commission merchant ("FCM") and cleared through a clearinghouse that serves as a central Counterparty ("centrally cleared swap"). These agreements may contain among other conditions, events of default and termination events, and various covenants and representations such as provisions that require the Fund to maintain a pre-determined level of net assets, and/or provide limits regarding the decline of the Fund's NAV over specific periods of time. If the Fund were to trigger such provisions and have open derivative positions at that time, the Counterparty may be able to terminate such agreement and request immediate payment in an amount equal to the net liability positions, if any.

Interest rate, total return, index, and currency swap agreements are two-party contracts entered into primarily to exchange the returns (or differentials in rates of returns) earned or realized on particular predetermined investments or instruments. The gross returns to be exchanged or "swapped" between the parties are calculated with respect to a notional amount, i.e., the return on or increase in value of a particular dollar amount invested at a particular interest rate or return of an underlying asset, in a particular foreign currency, or in a "basket" of securities representing a particular index.

In a centrally cleared swap, the Fund's ultimate Counterparty is a central clearinghouse. The Fund initially will enter into centrally cleared swaps through an executing broker. When a fund enters into a centrally cleared swap, it must deliver to the central Counterparty (via the FCM) an amount referred to as "initial margin." Initial margin requirements are determined by the central Counterparty, but an FCM may require additional initial margin above the amount required by the central Counterparty. Initial margin deposits required upon entering into centrally cleared swaps are satisfied by cash or securities as collateral at the FCM. Securities deposited as initial margin are designated on the Schedule of Investments and cash deposited is recorded on the Statement of Assets and Liabilities. During the term of a cleared swap agreement, a "variation margin" amount may be required to be paid by the Fund or may be received by the Fund, based on the daily change in price of the underlying reference instrument subject to the swap agreement and is recorded as a receivable or payable for variation margin in the Statement of Assets and Liabilities until the centrally cleared swap is terminated at which time a realized gain or loss is recorded.

A CDS is an agreement between Counterparties to exchange the credit risk of an issuer. A buyer of a CDS is said to buy protection by paying a fixed payment over the life of the agreement and in some situations an upfront payment to the seller of the CDS. If a defined credit event occurs (such as payment default or bankruptcy), the Fund as a protection buyer would cease paying its fixed payment, the Fund would deliver eligible bonds issued by the reference entity to the seller, and the seller would pay the full notional value, or the "par value", of the referenced obligation to the Fund. A seller of a CDS is said to sell protection and thus would receive a fixed payment over the life of the agreement and an upfront payment, if applicable. If a credit event occurs, the Fund as a protection seller would cease to receive the fixed payment stream, the Fund would pay the buyer "par value" or the full notional value of the referenced obligation, and the Fund would receive the eligible bonds issued by the reference entity. In turn, these bonds may be sold in order to realize a recovery value. Alternatively, the seller of the CDS and its Counterparty may agree to net the notional amount and the market value of the bonds and make a cash payment equal to the difference to the buyer of protection. If no credit event occurs, the Fund receives the fixed payment over the life of the agreement. As the seller, the Fund would effectively add leverage to its portfolio because, in addition to its total net assets, the Fund would be subject to investment exposure on the notional amount of the CDS. In connection with these agreements, cash and securities may be identified as collateral in accordance with the terms of the respective swap agreements to provide assets of value and recourse in the event of default under the swap agreement or bankruptcy/insolvency of a party to the swap agreement. If a Counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the Fund may experience significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding. The Fund may obtain only limited recovery or may obtain no recovery in such circumstances. The Fund's maximum risk of loss from Counterparty risk, either as the protection seller or as the protection buyer, is the value of the contract. The risk may be mitigated by having a master netting arrangement between the Fund and the Counterparty and by the designation of collateral by the Counterparty to cover the Fund's exposure to the Counterparty.

Implied credit spreads represent the current level at which protection could be bought or sold given the terms of the existing CDS contract and serve as an indicator of the current status of the payment/performance risk of the CDS. An implied spread that has widened or increased since entry into the initial contract

may indicate a deteriorating credit profile and increased risk of default for the reference entity. A declining or narrowing spread may indicate an improving credit profile or decreased risk of default for the reference entity. Alternatively, credit spreads may increase or decrease reflecting the general tolerance for risk in the credit markets.

An interest rate swap is an agreement between Counterparties pursuant to which the parties exchange a floating rate payment for a fixed rate payment based on a specified notional amount.

Changes in the value of centrally cleared and OTC swap agreements are recognized as unrealized gains (losses) in the Statement of Operations by "marking to market" on a daily basis to reflect the value of the swap agreement at the end of each trading day. Payments received or paid at the beginning of the agreement are reflected as such on the Statement of Assets and Liabilities and may be referred to as upfront payments. The Fund accrues for the fixed payment stream and amortizes upfront payments, if any, on swap agreements on a daily basis with the net amount, recorded as a component of realized gain (loss) on the Statement of Operations. A liquidation payment received or made at the termination of a swap agreement is recorded as realized gain (loss) on the Statement of Operations. The Fund segregates cash or liquid securities having a value at least equal to the amount of the potential obligation of a Fund under any swap transaction. Cash held as collateral is recorded as deposits with brokers on the Statement of Assets and Liabilities. Entering into these agreements involves, to varying degrees, lack of liquidity and elements of credit, market, and Counterparty risk in excess of amounts recognized on the Statement of Assets and Liabilities. Such risks involve the possibility that a swap is difficult to sell or liquidate; the Counterparty does not honor its obligations under the agreement and unfavorable interest rates and market fluctuations. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Fund's ability to terminate existing swap agreements or to realize amounts to be received under such agreements. Additionally, ISDA master agreements include credit related contingent features which allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event that, for example, the Fund's net assets decline by a stated percentage or the Fund fails to meet the terms of its ISDA master agreements, which would cause the Fund to accelerate payment of any net liability owed to the counterparty. A short position in a security poses more risk than holding the same security long. As there is no limit on how much the price of the security can increase, the Fund's exposure is unlimited.

Notional amounts of each individual credit default swap agreement outstanding as of June 30, 2021 for which the Fund is the seller of protection are disclosed in the open swap agreements table. These potential amounts would be partially offset by any recovery values of the respective referenced obligations, upfront payments received upon entering into the agreement, or net amounts received from the settlement of buy protection credit default swap agreements entered into by the Fund for the same referenced entity or entities.

O. Dollar Rolls and Forward Commitment Transactions - The Fund may enter into dollar roll transactions to enhance the Fund's performance. The Fund executes its dollar roll transactions in the *to be announced* ("TBA") market whereby the Fund makes a forward commitment to purchase a security and, instead of accepting delivery, the position is offset by the sale of the security with a simultaneous agreement to repurchase at a future date.

The Fund accounts for dollar roll transactions as purchases and sales and realizes gains and losses on these transactions. These transactions increase the Fund's portfolio turnover rate. The Fund will segregate liquid assets in an amount equal to its dollar roll commitments.

Dollar roll transactions involve the risk that a Counterparty to the transaction may fail to complete the transaction. If this occurs, the Fund may lose the opportunity to purchase or sell the security at the agreed upon price. Dollar roll transactions also involve the risk that the value of the securities retained by the Fund may decline below the price of the securities that the Fund has sold but is obligated to purchase under the agreement. Dollar roll transactions covered in this manner are not treated as senior securities for purposes of a Fund's fundamental investment limitation on senior securities and borrowings.

P. LIBOR Risk - The Fund may invest in financial instruments that utilize LIBOR as the reference or benchmark rate for variable interest rate calculations. On July 27, 2017, the head of the United Kingdom's Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. Although many LIBOR rates will be phased out at the end of 2021 as originally intended, a selection of widely used USD LIBOR rates will continue to be published until June 2023 in order to assist with the transition. There remains uncertainty regarding the effect of the LIBOR transition process and therefore any impact of a transition away from LIBOR on the Fund or the instruments in which the Fund invests cannot yet be determined. There is no assurance that the composition or characteristics of any alternative reference rate will be similar to or produce the same value or economic equivalence as LIBOR or that instruments using an alternative rate will have the same volume or liquidity. Any such effects of the transition away from LIBOR and the adoption of alternative reference rates could result in losses to the Fund.

Q. COVID-19 Risk - The COVID-19 strain of coronavirus has resulted in instances of market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. Efforts to contain its spread have resulted in travel restrictions, disruptions of healthcare systems, business operations and supply chains, layoffs, lower consumer demand, and defaults, among other significant economic impacts that have disrupted global economic activity across many industries. Such economic impacts may exacerbate other pre-existing political, social and economic risks locally or globally.

The ongoing effects of COVID-19 are unpredictable and may result in significant and prolonged effects on the Fund's performance.

R. Other Risks - Active trading of portfolio securities may result in added expenses, a lower return and increased tax liability.

S. Leverage Risk - Leverage exists when the Fund can lose more than it originally invests because it purchases or sells an instrument or enters into a transaction without investing an amount equal to the full economic exposure of the instrument or transaction.

T. Collateral - To the extent the Fund has designated or segregated a security as collateral and that security is subsequently sold, it is the Fund's practice to replace such collateral no later than the next business day.

NOTE 2—Advisory Fees and Other Fees Paid to Affiliates

The Trust has entered into a master investment advisory agreement with Invesco Advisers, Inc. (the "Adviser" or "Invesco"). Under the terms of the investment advisory agreement, the Fund accrues daily and pays monthly an advisory fee to the Adviser based on the annual rate of the Fund's average daily net assets as follows:

Average Daily Net Assets	Rate
First \$500 million	0.450%
Next \$500 million	0.425%
Next \$1.5 billion	0.400%
Next \$2.5 billion	0.375%
Over \$5 billion	0.350%

For the six months ended June 30, 2021, the effective advisory fee rate incurred by the Fund was 0.45%.

Under the terms of a master sub-advisory agreement between the Adviser and each of Invesco Asset Management Deutschland GmbH, Invesco Asset Management Limited, Invesco Asset Management (Japan) Limited, Invesco Hong Kong Limited, Invesco Senior Secured Management, Inc. and Invesco Canada Ltd. and separate sub-advisory agreements with Invesco Capital Management LLC and Invesco Asset Management (India) Private Limited (collectively, the "Affiliated Sub-Advisers") the Adviser, not the Fund, will pay 40% of the fees paid to the Adviser to any such Affiliated Sub-Adviser(s) that provide(s) discretionary investment management services to the Fund based on the percentage of assets allocated to such Affiliated Sub-Adviser(s).

The Adviser has contractually agreed, through at least April 30, 2022, to waive advisory fees and/or reimburse expenses of all shares to the extent necessary to limit total annual fund operating expenses after fee waiver and/or expense reimbursement (excluding certain items discussed below) of Series I shares to 0.61% and

Series II shares to 0.86% of the Fund's average daily net assets (the "expense limits"). In determining the Adviser's obligation to waive advisory fees and/or reimburse expenses, the following expenses are not taken into account, and could cause the total annual fund operating expenses after fee waiver and/or expense reimbursement to exceed the numbers reflected above: (1) interest; (2) taxes; (3) dividend expense on short sales; (4) extraordinary or non-routine items, including litigation expenses; and (5) expenses that the Fund has incurred but did not actually pay because of an expense offset arrangement. Unless Invesco continues the fee waiver agreement, it will terminate on April 30, 2022. During its term, the fee waiver agreement cannot be terminated or amended to increase the expense limits or reduce the advisory fee waiver without approval of the Board of Trustees. To the extent that the annualized expense ratio does not exceed the expense limits, the Adviser will retain its ability to be reimbursed for such fee waivers or reimbursements prior to the end of each fiscal year.

Further, the Adviser has contractually agreed, through at least June 30, 2023, to waive the advisory fee payable by the Fund in an amount equal to 100% of the net advisory fees the Adviser receives from the affiliated money market funds on investments by the Fund of uninvested cash in such affiliated money market funds.

For the six months ended June 30, 2021, the Adviser waived advisory fees of \$50,836.

The Trust has entered into a master administrative services agreement with Invesco pursuant to which the Fund has agreed to pay Invesco a fee for costs incurred in providing accounting services and fund administrative services to the Fund and to reimburse Invesco for fees paid to insurance companies that have agreed to provide certain administrative services to the Fund. These administrative services provided by the insurance companies may include, among other things: maintenance of master accounts with the Fund; tracking, recording and transmitting net purchase and redemption orders for Fund shares; maintaining and preserving records related to the purchase, redemption and other account activity of variable product owners; distributing copies of Fund documents such as prospectuses, proxy materials and periodic reports, to variable product owners, and responding to inquiries from variable product owners about the Fund. Pursuant to such agreement, for the six months ended June 30, 2021, Invesco was paid \$2,552 for accounting and fund administrative services and was reimbursed \$26,195 for fees paid to insurance companies. Invesco has entered into a sub-administration agreement whereby State Street Bank and Trust Company ("SSB") serves as fund accountant and provides certain administrative services to the Fund. Pursuant to a custody agreement with the Trust on behalf of the Fund, SSB also serves as the Fund's custodian.

The Trust has entered into a transfer agency and service agreement with Invesco Investment Services, Inc. ("IIS") pursuant to which the Fund has agreed to pay IIS a fee for providing transfer agency and shareholder services to the Fund and reimburse IIS for certain expenses incurred by IIS in the course of providing such services. IIS may make payments to intermediaries that provide omnibus account services, sub-accounting services and/or networking services. All fees payable by IIS to intermediaries that provide omnibus account services or sub-accounting services are charged back to the Fund, subject to certain limitations approved by the Trust's Board of Trustees. For the six months ended June 30, 2021, expenses incurred under the agreement are shown in the Statement of Operations as *Transfer agent fees*.

The Trust has entered into a master distribution agreement with Invesco Distributors, Inc. ("IDI") to serve as the distributor for the Fund. The Trust has adopted a plan pursuant to Rule 12b-1 under the 1940 Act with respect to the Fund's Series II shares (the "Plan"). The Fund, pursuant to the Plan, pays IDI compensation at the annual rate of 0.25% of the Fund's average daily net assets of Series II shares. The fees are accrued daily and paid monthly. Of the Plan payments, up to 0.25% of the average daily net assets of the Series II shares may be paid to insurance companies who furnish continuing personal shareholder services to customers who purchase and own Series II shares of the Fund. For the six months ended June 30, 2021, expenses incurred under the Plan are detailed in the Statement of Operations as *Distribution fees*.

Certain officers and trustees of the Trust are officers and directors of the Adviser, IIS and/or IDI.

NOTE 3—Additional Valuation Information

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions. GAAP establishes a hierarchy that prioritizes the inputs to valuation methods, giving the highest priority to readily available unadjusted quoted prices in an active market for identical assets (Level 1) and the lowest priority to significant unobservable inputs (Level 3), generally when market prices are not readily available or are unreliable. Based on the valuation inputs, the securities or other investments are tiered into one of three levels. Changes in valuation methods may result in transfers in or out of an investment's assigned level:

Level 1 - Prices are determined using quoted prices in an active market for identical assets.

Level 2 - Prices are determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves, loss severities, default rates, discount rates, volatilities and others.

Level 3 - Prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Fund's own assumptions about the factors market participants would use in determining fair value of the securities or instruments and would be based on the best available information.

The following is a summary of the tiered valuation input levels, as of June 30, 2021. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

	Level 1	Level 2	Level 3	Total
Investments in Securities				
U.S. Dollar Denominated Bonds & Notes	\$ -	\$19,417,954	\$-	\$19,417,954
U.S. Treasury Securities	-	5,805,497	-	5,805,497
Asset-Backed Securities	-	4,768,397	-	4,768,397
U.S. Government Sponsored Agency Mortgage-Backed Securities	-	2,686,624	-	2,686,624
Preferred Stocks	158,288	597,753	-	756,041
Non-U.S. Dollar Denominated Bonds & Notes	-	143,031	-	143,031
Agency Credit Risk Transfer Notes	-	141,651	-	141,651
Money Market Funds	7,426,691	-	-	7,426,691
Total Investments in Securities	7,584,979	33,560,907	-	41,145,886
Other Investments - Assets*				
Futures Contracts	8,000	-	-	8,000
Forward Foreign Currency Contracts	-	7,682	-	7,682
	8,000	7,682	-	15,682

	Level 1	Level 2	Level 3	Total
Other Investments - Liabilities*				
Futures Contracts	\$ (61,255)	\$ -	\$-	\$ (61,255)
Options Written	-	(390)	-	(390)
Swap Agreements	-	(6,744)	-	(6,744)
	(61,255)	(7,134)	-	(68,389)
Total Other Investments	(53,255)	548	-	(52,707)
Total Investments	\$7,531,724	\$33,561,455	\$-	\$41,093,179

* Forward foreign currency contracts, futures contracts and swap agreements are valued at unrealized appreciation (depreciation). Options written are shown at value.

NOTE 4—Derivative Investments

The Fund may enter into an International Swaps and Derivatives Association Master Agreement ("ISDA Master Agreement") under which a fund may trade OTC derivatives. An OTC transaction entered into under an ISDA Master Agreement typically involves a collateral posting arrangement, payment netting provisions and close-out netting provisions. These netting provisions allow for reduction of credit risk through netting of contractual obligations. The enforceability of the netting provisions of the ISDA Master Agreement depends on the governing law of the ISDA Master Agreement, among other factors.

For financial reporting purposes, the Fund does not offset OTC derivative assets or liabilities that are subject to ISDA Master Agreements in the Statement of Assets and Liabilities.

Value of Derivative Investments at Period-End

The table below summarizes the value of the Fund's derivative investments, detailed by primary risk exposure, held as of June 30, 2021:

Derivative Assets	Value			
	Credit Risk	Currency Risk	Interest Rate Risk	Total
Unrealized appreciation on futures contracts – Exchange-Traded ^(a)	\$ -	\$ -	\$ 8,000	\$ 8,000
Unrealized appreciation on forward foreign currency contracts outstanding	-	7,682	-	7,682
Total Derivative Assets	-	7,682	8,000	15,682
Derivatives not subject to master netting agreements	-	-	(8,000)	(8,000)
Total Derivative Assets subject to master netting agreements	\$ -	\$7,682	\$ -	\$ 7,682

Derivative Liabilities	Value			
	Credit Risk	Currency Risk	Interest Rate Risk	Total
Unrealized depreciation on futures contracts – Exchange-Traded ^(a)	\$ -	\$ -	\$(61,255)	\$(61,255)
Unrealized depreciation on swap agreements – Centrally Cleared ^(a)	(6,744)	-	-	(6,744)
Options written, at value – OTC ^(b)	(390)	-	-	(390)
Total Derivative Liabilities	(7,134)	-	(61,255)	(68,389)
Derivatives not subject to master netting agreements	6,744	-	61,255	67,999
Total Derivative Liabilities subject to master netting agreements	\$ (390)	\$ -	\$ -	\$ (390)

^(a) The daily variation margin receivable (payable) at period-end is recorded in the Statement of Assets and Liabilities.

^(b) Values are disclosed on the Statement of Assets and Liabilities under the caption Options written.

Offsetting Assets and Liabilities

The table below reflects the Fund's exposure to Counterparties subject to either an ISDA Master Agreement or other agreement for OTC derivative transactions as of June 30, 2021.

Counterparty	Financial Derivative Assets	Financial Derivative Liabilities	Net Value of Derivatives	Collateral (Received)/Pledged		Net Amount
	Forward Foreign Currency Contracts	Swaption Written		Non-Cash	Cash	
Goldman Sachs International	\$ -	\$(390)	\$ (390)	\$-	\$-	\$ (390)
State Street Bank & Trust Co.	7,682	-	7,682	-	-	7,682
Total	\$7,682	\$(390)	\$7,292	\$-	\$-	\$7,292

Effect of Derivative Investments for the six months ended June 30, 2021

The table below summarizes the gains (losses) on derivative investments, detailed by primary risk exposure, recognized in earnings during the period:

	Location of Gain (Loss) on Statement of Operations			Total
	Credit Risk	Currency Risk	Interest Rate Risk	
Realized Gain (Loss):				
Forward foreign currency contracts	\$ -	\$ (6,934)	\$ -	\$ (6,934)
Futures contracts	-	-	291,274	291,274
Swap agreements	373	-	-	373
Change in Net Unrealized Appreciation (Depreciation):				
Forward foreign currency contracts	-	17,302	-	17,302
Futures contracts	-	-	(55,377)	(55,377)
Options written	4,374	-	-	4,374
Swap agreements	(6,744)	-	-	(6,744)
Total	\$(1,997)	\$10,368	\$235,897	\$244,268

The table below summarizes the average notional value of derivatives held during the period.

	Forward Foreign Currency Contracts	Futures Contracts	Swaptions Written	Swap Agreements
Average notional value	\$301,631	\$16,387,941	\$781,000	\$945,107

NOTE 5—Trustees' and Officers' Fees and Benefits

Trustees' and Officers' Fees and Benefits include amounts accrued by the Fund to pay remuneration to certain Trustees and Officers of the Fund. Trustees have the option to defer compensation payable by the Fund, and *Trustees' and Officers' Fees and Benefits* also include amounts accrued by the Fund to fund such deferred compensation amounts. Those Trustees who defer compensation have the option to select various Invesco Funds in which their deferral accounts shall be deemed to be invested. Finally, certain current Trustees were eligible to participate in a retirement plan that provided for benefits to be paid upon retirement to Trustees over a period of time based on the number of years of service. The Fund may have certain former Trustees who also participate in a retirement plan and receive benefits under such plan. *Trustees' and Officers' Fees and Benefits* include amounts accrued by the Fund to fund such retirement benefits. Obligations under the deferred compensation and retirement plans represent unsecured claims against the general assets of the Fund.

NOTE 6—Cash Balances

The Fund may borrow for leveraging in an amount up to 5% of the Fund's total assets (excluding the amount borrowed) at the time the borrowing is made. In doing so, the Fund is permitted to temporarily carry a negative or overdrawn balance in its account with SSB, the custodian bank. Such balances, if any at period end, are shown in the Statement of Assets and Liabilities under the payable caption *Amount due custodian*. To compensate the custodian bank for such overdrafts, the overdrawn Fund may either (1) leave funds as a compensating balance in the account so the custodian bank can be compensated by earning the additional interest; or (2) compensate by paying the custodian bank at a rate agreed upon by the custodian bank and Invesco, not to exceed the contractually agreed upon rate. The Fund may not purchase additional securities when any borrowings from banks or broker-dealers exceed 5% of the Fund's total assets, or when any borrowings from an Invesco Fund are outstanding.

NOTE 7—Tax Information

The amount and character of income and gains to be distributed are determined in accordance with income tax regulations, which may differ from GAAP. Reclassifications are made to the Fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryforward) under income tax regulations. The tax character of distributions paid during the year and the tax components of net assets will be reported at the Fund's fiscal year-end.

Capital loss carryforward is calculated and reported as of a specific date. Results of transactions and other activity after that date may affect the amount of capital loss carryforward actually available for the Fund to utilize. The ability to utilize capital loss carryforwards in the future may be limited under the Internal Revenue Code and related regulations based on the results of future transactions.

The Fund did not have a capital loss carryforward as of December 31, 2020.

NOTE 8—Investment Transactions

The aggregate amount of investment securities (other than short-term securities, U.S. Government obligations and money market funds, if any) purchased and sold by the Fund during the six months ended June 30, 2021 was \$19,226,822 and \$16,220,598, respectively. Cost of investments, including any derivatives, on a tax basis includes the adjustments for financial reporting purposes as of the most recently completed federal income tax reporting period-end.

Unrealized Appreciation (Depreciation) of Investments on a Tax Basis	
Aggregate unrealized appreciation of investments	\$1,000,005
Aggregate unrealized (depreciation) of investments	(165,801)
Net unrealized appreciation of investments	\$ 834,204

Cost of investments for tax purposes is \$40,144,068.

NOTE 9—Share Information

	Summary of Share Activity			
	Six months ended June 30, 2021^(a)		Year ended December 31, 2020	
	Shares	Amount	Shares	Amount
Sold:				
Series I	1,358,055	\$ 9,310,739	3,180,253	\$ 21,269,042
Series II	95,665	650,554	41,575	286,022
Issued as reinvestment of dividends:				
Series I	-	-	117,326	794,296
Series II	-	-	1,317	8,865
Reacquired:				
Series I	(935,133)	(6,403,530)	(2,092,985)	(13,993,426)
Series II	(893)	(6,069)	(7,337)	(49,368)
Net increase in share activity	517,694	\$ 3,551,694	1,240,149	\$ 8,315,431

^(a) There are entities that are record owners of more than 5% of the outstanding shares of the Fund and in the aggregate own 76% of the outstanding shares of the Fund. The Fund and the Fund's principal underwriter or adviser, are parties to participation agreements with these entities whereby these entities sell units of interest in separate accounts funding variable products that are invested in the Fund. The Fund, Invesco and/or Invesco affiliates may make payments to these entities, which are considered to be related to the Fund, for providing services to the Fund, Invesco and/or Invesco affiliates including but not limited to services such as, securities brokerage, third party record keeping and account servicing and administrative services. The Fund has no knowledge as to whether all or any portion of the shares owned of record by these entities are also owned beneficially.

Calculating your ongoing Fund expenses

Example

As a shareholder of the Fund, you incur ongoing costs, including management fees; distribution and/or service fees (12b-1); and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period January 1, 2021 through June 30, 2021.

The actual and hypothetical expenses in the examples below do not represent the effect of any fees or other expenses assessed in connection with a variable product; if they did, the expenses shown would be higher while the ending account values shown would be lower.

Actual expenses

The table below provides information about actual account values and actual expenses. You may use the information in this table, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the table under the heading entitled "Actual Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical example for comparison purposes

The table below also provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return.

The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs. Therefore, the hypothetical information is useful in comparing ongoing costs, and will not help you determine the relative total costs of owning different funds.

	Beginning Account Value (01/01/21)	ACTUAL		HYPOTHETICAL (5% annual return before expenses)		Annualized Expense Ratio
		Ending Account Value (06/30/21) ¹	Expenses Paid During Period ²	Ending Account Value (06/30/21)	Expenses Paid During Period ²	
Series I	\$1,000.00	\$995.70	\$3.02	\$1,021.77	\$3.06	0.61%
Series II	1,000.00	994.20	4.25	1,020.53	4.31	0.86

¹ The actual ending account value is based on the actual total return of the Fund for the period January 1, 2021 through June 30, 2021, after actual expenses and will differ from the hypothetical ending account value which is based on the Fund's expense ratio and a hypothetical annual return of 5% before expenses.

² Expenses are equal to the Fund's annualized expense ratio as indicated above multiplied by the average account value over the period, multiplied by 181/365 to reflect the most recent fiscal half year.

Approval of Investment Advisory and Sub-Advisory Contracts

At meetings held on June 10, 2021, the Board of Trustees (the Board or the Trustees) of AIM Variable Insurance Funds (Invesco Variable Insurance Funds) as a whole, and the independent Trustees, who comprise over 75% of the Board, voting separately, approved the continuance of the Invesco V.I. Core Plus Bond Fund's (the Fund) Master Investment Advisory Agreement with Invesco Advisers, Inc. (Invesco Advisers and the investment advisory agreement) and the Master Intergroup Sub-Advisory Contract for Mutual Funds with Invesco Asset Management Deutschland GmbH, Invesco Asset Management Limited, Invesco Asset Management (Japan) Limited, Invesco Hong Kong Limited, Invesco Senior Secured Management, Inc. and Invesco Canada Ltd. and separate sub-advisory contracts with Invesco Capital Management LLC and Invesco Asset Management (India) Private Limited (collectively, the Affiliated Sub-Advisers and the sub-advisory contracts) for another year, effective July 1, 2021. After evaluating the factors discussed below, among others, the Board approved the renewal of the Fund's investment advisory agreement and the sub-advisory contracts and determined that the compensation payable thereunder by the Fund to Invesco Advisers and by Invesco Advisers to the Affiliated Sub-Advisers is fair and reasonable.

The Board's Evaluation Process

The Board has established an Investments Committee, which in turn has established Sub-Committees that meet throughout the year to review the performance of funds advised by Invesco Advisers (the Invesco Funds). The Sub-Committees meet regularly with portfolio managers for their assigned Invesco Funds and other members of management to review detailed information about investment performance and portfolio attributes of these funds. The Board has established additional standing and ad hoc committees that meet regularly throughout the year to review matters within their purview. The Board took into account evaluations and reports that it received from its committees and sub-committees, as well as the information provided to the Board and its committees and sub-committees throughout the year, in considering whether to approve each Invesco Fund's investment advisory agreement and sub-advisory contracts.

As part of the contract renewal process, the Board reviews and considers information provided in response to detailed requests for information submitted to management by the independent Trustees with assistance from legal counsel to the independent Trustees. The Board receives comparative investment performance and fee and expense data regarding the Invesco Funds prepared by Broadridge Financial Solutions, Inc. (Broadridge), an independent mutual fund data provider, as well as information on the composition of the peer groups provided by Broadridge and its methodology for determining peer groups. The Board also receives an independent written evaluation from the Senior Officer, an officer of the Invesco Funds who reports directly to the independent Trustees. The Senior Officer's evaluation is prepared as part of his responsibility to manage the process by which the Invesco Funds' proposed management fees are negotiated during the annual contract renewal

process to ensure they are negotiated in a manner that is at arms' length and reasonable. In addition to meetings with Invesco Advisers and fund counsel throughout the year and as part of meetings convened on April 27, 2021 and June 10, 2021, the independent Trustees also discussed the continuance of the investment advisory agreement and sub-advisory contracts in separate sessions with the Senior Officer and with independent legal counsel.

The discussion below is a summary of the Senior Officer's independent written evaluation with respect to the Fund's investment advisory agreement and sub-advisory contracts, as well as a discussion of the material factors and related conclusions that formed the basis for the Board's approval of the Fund's investment advisory agreement and sub-advisory contracts. The Trustees' review and conclusions are based on the comprehensive consideration of all information presented to them during the course of the year and in prior years and are not the result of any single determinative factor. Moreover, one Trustee may have weighed a particular piece of information or factor differently than another Trustee. The information received and considered by the Board was current as of various dates prior to the Board's approval on June 10, 2021.

Factors and Conclusions and Summary of Independent Written Fee Evaluation

A. Nature, Extent and Quality of Services Provided by Invesco Advisers and the Affiliated Sub-Advisers

The Board reviewed the nature, extent and quality of the advisory services provided to the Fund by Invesco Advisers under the Fund's investment advisory agreement, and the credentials and experience of the officers and employees of Invesco Advisers who provide these services, including the Fund's portfolio manager(s). The Board's review included consideration of Invesco Advisers' investment process and oversight, credit analysis, and research capabilities. The Board considered information regarding Invesco Advisers' programs for and resources devoted to risk management, including management of investment, enterprise, operational, liquidity, valuation and compliance risks, and technology used to manage such risks. The Board also received and reviewed information about Invesco Advisers' role as administrator of the Invesco Funds' liquidity risk management program. The Board received a description of Invesco Advisers' business continuity plans and of its approach to data privacy and cybersecurity, including related testing. The Board considered how the cybersecurity and business continuity plans of Invesco Advisers and its key service providers operated in the increased remote working environment resulting from the novel coronavirus ("COVID-19") pandemic. The Board also considered non-advisory services that Invesco Advisers and its affiliates provide to the Invesco Funds such as various back office support functions, third party oversight, internal audit, valuation, portfolio trading and legal and compliance. The Board observed that Invesco Advisers has been able to effectively manage, operate and oversee the Invesco Funds through the challenging COVID-19 pandemic period. The Board reviewed and considered the benefits to shareholders of investing in a Fund that is

part of the family of funds under the umbrella of Invesco Ltd., Invesco Advisers' parent company, and noted Invesco Ltd.'s depth and experience in running an investment management business, as well as its commitment of financial and other resources to such business. The Board concluded that the nature, extent and quality of the services provided to the Fund by Invesco Advisers are appropriate and satisfactory.

The Board reviewed the services that may be provided by the Affiliated Sub-Advisers under the sub-advisory contracts and the credentials and experience of the officers and employees of the Affiliated Sub-Advisers who provide these services. The Board noted the Affiliated Sub-Advisers' expertise with respect to certain asset classes and that the Affiliated Sub-Advisers have offices and personnel that are located in financial centers around the world. As a result, the Board noted that the Affiliated Sub-Advisers can provide research and investment analysis on the markets and economies of various countries in which the Fund may invest, make recommendations regarding securities and assist with security trades. The Board concluded that the sub-advisory contracts may benefit the Fund and its shareholders by permitting Invesco Advisers to use the resources and talents of the Affiliated Sub-Advisers in managing the Fund. The Board concluded that the nature, extent and quality of the services that may be provided to the Fund by the Affiliated Sub-Advisers are appropriate and satisfactory.

B. Fund Investment Performance

The Board considered Fund investment performance as a relevant factor in considering whether to approve the investment advisory agreement. The Board did not view Fund investment performance as a relevant factor in considering whether to approve the sub-advisory contracts for the Fund, as no Affiliated Sub-Adviser currently manages assets of the Fund.

The Board compared the Fund's investment performance over multiple time periods ending December 31, 2020 to the performance of funds in the Broadridge performance universe and against the Bloomberg Barclays U.S. Aggregate Bond Index (Index). The Board noted that performance of Series I shares of the Fund was in the second quintile of its performance universe for the one and three year periods and the first quintile for the five year period (the first quintile being the best performing funds and the fifth quintile being the worst performing funds). The Board noted that performance of Series I shares of the Fund was above the performance of the Index for the one, three and five year periods. The Board recognized that the performance data reflects a snapshot in time as of a particular date and that selecting a different performance period could produce different results. The Board also reviewed more recent Fund performance as well as other performance metrics, which did not change its conclusions.

C. Advisory and Sub-Advisory Fees and Fund Expenses

The Board compared the Fund's contractual management fee rate to the contractual management fee rates of funds in the Fund's Broadridge expense group. The Board noted that the contractual management fee rate for Series I shares of the Fund

was the same as the median contractual management fee rate of funds in its expense group. The Board noted that the term “contractual management fee” for funds in the expense group may include both advisory and certain non-portfolio management administrative services fees, but that Broadridge is not able to provide information on a fund by fund basis as to what is included. The Board also reviewed the methodology used by Broadridge in calculating expense group information, which includes using each fund’s contractual management fee schedule (including any applicable breakpoints) as reported in the most recent prospectus or statement of additional information for each fund in the expense group. The Board also considered comparative information regarding the Fund’s total expense ratio and its various components.

The Board noted that Invesco Advisers has contractually agreed to waive fees and/or limit expenses of the Fund for the term disclosed in the Fund’s registration statement in an amount necessary to limit total annual operating expenses to a specified percentage of average daily net assets for each class of the Fund.

The Board also considered the fees charged by Invesco Advisers and its affiliates to other client accounts that are similarly managed. Invesco Advisers reviewed with the Board differences in the scope of services it provides to the Invesco Funds relative to that provided by Invesco Advisers and its affiliates to certain other types of client accounts, including, among others: management of cash flows as a result of redemptions and purchases; necessary infrastructure such as officers, office space, technology, legal and distribution; oversight of service providers; costs and business risks associated with launching new funds and sponsoring and maintaining the product line; and compliance with federal and state laws and regulations. Invesco Advisers also advised the Board that many of the similarly managed client accounts have all-inclusive fee structures, which are not easily un-bundled.

The Board also considered the services that may be provided by the Affiliated Sub-Advisers pursuant to the sub-advisory contracts, as well as the fees payable by Invesco Advisers to the Affiliated Sub-Advisers pursuant to the sub-advisory contracts.

D. Economies of Scale and Breakpoints

The Board considered the extent to which there may be economies of scale in the provision of advisory services to the Fund and the Invesco Funds, and the extent to which such economies of scale are shared with the Fund and the Invesco Funds. The Board considered that the Fund may benefit from economies of scale through contractual breakpoints in the Fund’s advisory fee schedule, which generally operate to reduce the Fund’s expense ratio as it grows in size. The Board noted that the Fund also shares in economies of scale through Invesco Advisers’ ability to negotiate lower fee arrangements with third party service providers. The Board noted that the Fund may also benefit from economies of scale through initial fee setting, fee waivers and expense reimbursements, as well as Invesco Advisers’ investment in its business, including investments in business infrastructure, technology and cybersecurity.

E. Profitability and Financial Resources

The Board reviewed information from Invesco Advisers concerning the costs of the advisory and other services that Invesco Advisers and its affiliates provide to the Fund and the Invesco Funds and the

profitability of Invesco Advisers and its affiliates in providing these services in the aggregate and on an individual Fund-by-Fund basis. The Board considered the methodology used for calculating profitability and noted that such methodology had recently been reviewed and enhanced. The Board noted that Invesco Advisers continues to operate at a net profit from services Invesco Advisers and its affiliates provide to the Invesco Funds in the aggregate and to most Funds individually. The Board did not deem the level of profits realized by Invesco Advisers and its affiliates from providing such services to be excessive, given the nature, extent and quality of the services provided. The Board noted that Invesco Advisers provided information demonstrating that Invesco Advisers is financially sound and has the resources necessary to perform its obligations under the investment advisory agreement, and provided representations indicating that the Affiliated Sub-Advisers are financially sound and have the resources necessary to perform their obligations under the sub-advisory contracts.

F. Collateral Benefits to Invesco Advisers and its Affiliates

The Board considered various other benefits received by Invesco Advisers and its affiliates from the relationship with the Fund, including the fees received for providing administrative, transfer agency and distribution services to the Fund. The Board received comparative information regarding fees charged for these services, including information provided by Broadridge and other independent sources. The Board reviewed the performance of Invesco Advisers and its affiliates in providing these services and the organizational structure employed to provide these services. The Board noted that these services are provided to the Fund pursuant to written contracts that are reviewed and subject to approval on an annual basis by the Board based on its determination that the services are required for the operation of the Fund.

The Board considered the benefits realized by Invesco Advisers and the Affiliated Sub-Advisers as a result of portfolio brokerage transactions executed through “soft dollar” arrangements. Invesco Advisers noted that the Fund does not execute brokerage transactions through “soft dollar” arrangements to any significant degree.

The Board considered that the Fund’s uninvested cash and cash collateral from any securities lending arrangements may be invested in registered money market funds or, with regard to securities lending cash collateral, unregistered funds that comply with Rule 2a-7 (collectively referred to as “affiliated money market funds”) advised by Invesco Advisers. The Board considered information regarding the returns of the affiliated money market funds relative to comparable overnight investments, as well as the fees paid by the affiliated money market funds to Invesco Advisers and its affiliates. In this regard, the Board noted that Invesco Advisers receives advisory fees from these affiliated money market funds attributable to the Fund’s investments. The Board also noted that Invesco Advisers has contractually agreed to waive through varying periods an amount equal to 100% of the net advisory fee Invesco Advisers receives from the affiliated money market funds with respect to the Fund’s investment in the affiliated money market funds of uninvested cash, but not cash collateral. The Board concluded that the advisory fees payable to Invesco Advisers from the Fund’s investment of cash collateral from any

securities lending arrangements in the affiliated money market funds are for services that are not duplicative of services provided by Invesco Advisers to the Fund.

The Board also received information about commissions that an affiliated broker may receive for executing certain trades for the Fund. Invesco Advisers and the Affiliated Sub-Advisers advised the Board of the benefits to the Fund of executing trades through the affiliated broker and that such trades were executed in compliance with rules under the federal securities laws and consistent with best execution obligations.

